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ABSTRACT

Intended as an orientation guide, this manual presents information on library network operations for use by staff and advisory council members of the Texas Library System. The first chapter describes the role of systems in public library development in Texas, with a delineation of the history of Texas library systems, a chronology of related events from 1962 to 1983, and a discussion of key concepts related to public library development and systems. A second chapter describes system governance at the regional level and the role of the State Library and Archives Commission in system governance, while chapter 3 discusses system funding under the Library Systems Act and system services. In the fourth chapter system administration is reviewed, including financial management, performance management, planning for system services, and the management of other operational areas. A final chapter outlines five major issues which will face Texas library systems in the 1980's: accreditation of public libraries, development of multitype library systems, the possibility of legislating direct aid to public libraries, the option of nonprofit corporation governance for library systems, and determination of geographical system boundaries. Appendices provide a calendar for filing applications and reports with the Texas State Library, notes for new coordinators on important system documents, and a list of the roles and responsibilities of advisory council members. (ESR)

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SYSTEM ORIENTATION MANUAL

Edited by Jim Scheppke

February 1984 Library Development Division

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PREFACE

The need for a publication to orient new system staff and advisory council members to their roles and responsibilities has long been recognized. A committee of system coordinators worked on such a publication several years ago and succeeded in producing a manual in draft form. Another forerunner of the System Orientation Manual was the Texas System Advisory Council Information Booklet published in 1982 in advance of the second statewide System Advisory council Conference held in that year.

Some of the material in this manual was adapted from, or inspired by, these previous efforts. Other material was compiled using articles and documents previously published or distributed by the Texas State Library. A considerable amount of this manual is original material, published here for the first time. Whether newly published or reprinted, it is hoped that the materials provided in this manual will serve their purpose of providing a fairly exhaustive treatment, for system decision-makers and system employees, of the history and role of systems, the governance of systems, system funding, system services, system administration, and issues confronting systems. It is hoped that systems will be able to keep copies of the System Orientation Manual on hand for use with new staff orientation and to provide to new advisory council members. We hope to be able to revise the manual periodically to keep it current with changes occurring in the systems, and with new issues which emerge.

The editorial board for the Manual consisted of Patricia Smith and Jim Scheppke from the Texas State Library staff and Cathy Caine, Coordinator of the Central Texas Library System. These persons also contributed original material to the manual. Other contributors included Colonel Charles Nelson, member of the South Texas Library System Advisory Council; Raymond Hitt, Director of the Library Development Division at the Texas State Library; Elizabeth Crabb, Coordinator of the Northeast Texas Library System; and Alice Ihrig, noted authority on library trusteeship. Haven Toothman, Cindy Goodman and Bell Colyer contributed invaluable editorial and production assistance.

The editor would appreciate receiving any criticisms or suggestions which might make subsequent editions of this manual more useful in providing an orientation to library systems in Texas.

Jim Scheppke
February, 1984

System Orientation Manual

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CHAPTER ONE

The Role of Systems in Public Library Development in Texas

This chapter traces the history of library systems in Texas and describes the role systems are intended to play in public library development in Texas. The chapter introduces many important concepts, a grasp of which is essential to understanding where systems have been and where they are going.

I. The Formative Years of Library Systems in Texas

This essay originally appeared in A Study of the Texas Library System prepared by the Public Administration Service in 1976.

Statewide library development was a key issue with members of the Texas Library Association for at least a decade prior to adoption in 1969 of the Library Systems Act. In 1962 the Library Development Committee of the Association was charged with the responsibility for designing a basic plan that would upgrade individual libraries, and, at the same time, provide for cooperation among libraries at the local, district, regional, and state level. The Skeletal Plan for Statewide Library Development, as it was called, was the first such plan for Texas that envisioned the systems concept (Texas Libraries, 1963, pp. 53-69). The pattern of service recommended in the Plan was based on cooperation among all types of libraries and did not limit participation to just those libraries supported by tax dollars collected at the local level. The Plan also called for revision of the library laws of Texas, for checking the feasibility of implementing voluntary certification of librarians, and for the accreditation of libraries. The Association then began five years of work publicizing the Plan and campaigning for the improvement of statewide library services. Other developments also occurred during these formative years that individually or in combination provided impetus to adoption of the Systems Act.

In July, 1963, a subcommittee of the Library Development Committee began preparing standards for public libraries serving areas containing 50,000 or more residents. For libraries serving fewer people, the Committee recommended the adoption of the American Library Association's Interim Standards for Small Public Libraries (Texas Library Journal, 1964a, p. 30). Standards were later devised for school library programs and for college and university libraries. These published Standards, along with the supplementary "Guidelines for Measuring Progress" (Texas Library Journal, 1965a, pp. 24-27) provided the goals and measures deemed important for implementing the Statewide Plan for Library Development, as the "Skeletal Plan" later came to be known.

Suggestions were made by members of the Library Development Committee's Subcommittee on Library Laws that also indicated a growing interest in systems. As early as 1966, the Committee supported the idea of state aid to libraries with a formula favoring systems over individual libraries (Texas Library Journal, 1966, p. 22).

Influence of State Grants in Fostering Library Development

Grassroots endeavors of this nature to bring about governmental action on an important public need are a significant part of the system of self-government of this democracy. Additionally, federal library programs also were influencing the course of library affairs in state government. The State Library was greatly aided by these programs in its attempts to foster library development throughout the State. The provisions of the 1964 Library Services and Construction Act (LSCA), abetted by adoption of enabling state laws, gave this agency a powerful means of assisting libraries. The State Library designated the Field Services Division to administer the federally sponsored program in Texas. Millions of federally distributed dollars brought library activities to a level of dynamism exceeding any time in the country's history. There was no doubt in anyone's mind that one objective of the federal program was, and still is, to encourage a greater level of state participation in library development and ultimately for the State to assume primary responsibility for many of the programs initiated by federal funds.

Federal funds were allocated to those local libraries that showed a willingness to improve service through increased local tax support and to those that indicated a desire to improve service to a level set in the Standards and Guidelines approved by the Texas Library Association. Multi-county library systems also were encouraged by the State Library staff (Texas Library Journal, 1964b, p. 50).

A state plan for the utilization of the LSCA funds divided public libraries into three groups according to population served. Along the lines suggested in the Skeletal Plan for Statewide Library Development, the State Library Plan designated libraries serving the largest segment of population as Major Resource Centers; those serving populations between 10,000 to 199,999 were designated as Size II libraries or Resource Centers; and, those libraries serving populations under 10,000 were termed Area Centers or Size III libraries. In August, 1966, three years after the designation of libraries according to population served, members of the State Library staff met with the Library Association's Library Development Committee to set up ten service areas in the State. Each service area or district was formed around a Major Resource Center Library. The districts also formed the boundaries for field consultant services provided by the Texas State Library staff.

Later they were to become the basis for organizing cooperative library systems. Cooperative efforts varied in the ten districts and included interlibrary loan reference referral for the smaller libraries, centralized book processing, compilation of area union lists of serials, and the establishment of workshops conducted for librarians by the Major Resource Centers.

The State Government Listens: The Library Systems Act Is Approved

The First Texas Governor's Conference on Libraries was held March 23, 1966, in Austin. Its impact on the acceptance of the systems concept by the lay person was far-reaching. Over two thousand interested citizens and professionals dedicated to the idea of better library service to Texans attended the day-long

meeting. Enthusiasm was high and there were suggestions for drafting legislation calling for state aid to libraries, the aid to be administered under a systems plan (Governor's Conference on Libraries, 1966, p. 32). Systems already were in operation in some states and similar preparatory steps were being taken in others. Conferees returned home to begin lobbying for such legislation to be introduced at the next meeting of the Legislature in January, 1967.

The Texas Library Association's Legislative Committee began preparing a library systems bill, but the Committee was unable to complete the final draft in time for introduction by the 1967 Legislature. The Committee's completed version was presented to the members of the Texas Library Association at the annual conference held in the spring of 1968. Members were urged to publicize the Systems Code so that legislative support would be assured for passage of the bill in 1969. The Task Force Committee created in 1967 by the Executive Board of the Library Association intensified its promotional efforts through a statewide public relations campaign. Staff members of the Texas State Library served as consultants to the Task Force Committee. In addition, the Association retained the services of an attorney to assist in the legal aspects of getting the Systems Code passed into law. A Citizen's Committee made up of prominent businessmen and civic leaders lent its support to the Bill (Texas Libraries, 1969, pp. 4-5).

On February 6, 1969, Senate Bill 122 was introduced in the Senate by Senators Jack Hightower and A.M. Aikin, Jr. On February 11, a companion bill, H.B. 260, was introduced in the House of Representatives by Joe Shannon, Jr. The language of both bills closely followed that drafted by the Legislative Committee of the Library Association with one important exception: the Association draft carried no provisions for allocating funds by formula. The House version of the systems bill, amended in the Senate to provide a formula for dispersing funds to the systems, finally passed both houses and was sent to Governor Preston Smith on March 17, 1969. The Governor signed the Systems Act into law March 20, 1969 (Texas Libraries, 1969, pp. 3-4).

Although the actual passage of the Systems Act took only forty legislative days, its passage was the culmination of seven years of joint effort between the Texas Library Association and the Texas State Library to make the Statewide Plan for Library Development a plan backed by law.

The Texas State Library and Historical Commission (later called Texas State Library and Archives Commission), the governing body of the State Library, was designated by the new law to administer library systems in the state. Although the State Library had been charged from 1909 to encourage libraries, because of its limited means, it had served only a modest role in this respect. Over the years it had been required to direct much of its attention to serving the State Government itself. The LSCA program had enabled the State Library to focus more of its energy on libraries throughout the state, primarily public libraries in accordance with federal orientation. Now, at long last, an improved state mechanism had been created for aiding and cooperating with libraries.

The Library Systems Act of 1969 did not reflect precisely, however, the 1964 Skeletal Plan for Statewide Library Development. In that plan a system of service involving all types of libraries was called for. The Act, however, dealt only with public libraries and excluded all other types of libraries from membership and from system benefits. The resulting public library systems could contract with other types of libraries to obtain services but were not authorized to extend services. This legal requirement led, therefore, to the creation of systems with membership limited to public libraries.

The Implementation of the Library Systems Act

The passage of the Library Systems Act did not result, however, in an immediate flowering of library cooperation under its provisions. The initial state appropriation was for only $25,000, sufficient merely to employ a single staff member as a planner. Nothing was made available for program execution. In FY72 the first of four annual program appropriations, each for $50,000, was approved by the state legislature. This amount was distributed to the ten district library systems according to the legal formula in the Systems Act. It was barely enough to keep the systems concept alive. Skeptics were reinforced.

At this low point in the history of cooperative library development, the State Library, aided by the fortuitous availability of LSCA funds received after a long delay, decided that a critical time had come for infusing life into the moribund Systems Act. An entire year's federal appropriation under LSCA, totaling approximately $1.8 million, was allocated to systems development in FY75. This was intended to enable the ten organized systems to demonstrate their ability to plan, organize, staff, and direct cooperative services at a level originally intended but until then impossible.

At the same time, a renewed effort was initiated to inform the State Legislature of the dire need of Texas citizens for more adequate public library services, which were lagging well behind national levels. Based on two-year plans of service prepared by the ten systems, the State Library asked for state appropriations of $2.8 million in FY76 and $3.9 million in FY77. Although reduced to about one and two million dollars respectively, the Legislature then made its first important appropriations in support of cooperative library development. The first year's state appropriation of one million dollars for systems operations would be supplemented again, under state legislation, by LSCA funds of approximately $1.8 million. The total thus planned for FY76 exceeded the first year of substantial funding by an amount of one million dollars.

Consequently, the aspirations expressed by the Texas Library Association in 1964 began to be realized ten years later, even though only public libraries rather than all libraries were to be the direct beneficiaries. The responsibility was now passed to the public libraries of Texas to demonstrate their ability to work collectively under the new law and to achieve a much higher level of library service for their patrons, one which could not have been achieved by continuing under more isolated, unstructured arrangements. They were provided $1.8 million in FY75, and expected $2.8 million in FY76, and a minimum of $2.0 million in FY77 even without expected but unspecified federal funds. The challenge was passed to the ten district library systems, and it remains there at this time, to prove that the promise of better library service through cooperative endeavor can be effectively carried out. Continued public support of this concept may rest on their forthcoming record of performance.

II. A Chronology of Library Systems in Texas: 1962 to the Present

The following chronology was originally compiled by Elizabeth Crabb. It has been updated by Patricia Smith.

1962 Texas Library Association (TLA) Library Development Committee was charged with designing a plan to upgrade libraries and provide for cooperation.

1963 Skeletal Plan for Statewide Library Development published.

1964 Texas plan for utilizing LSCA funds developed; it included the Skeletal Plan...'s designation of three sizes of public libraries.

Library Services and Construction Act (federal) was revised to help develop all libraries within a state, not just rural ones.

1966 First Texas Governor's Conference on Libraries met. Delegates suggested drafting legislation for state aid to libraries which would be administered under a system plan.

State Library staff and TLA committee established ten service areas; each area was formed around a Major Resource Center Public Library.

1968 Library Systems bill prepared by TLA Legislative Committee, and presented to TLA members.

TLA Task Force publicized the proposed bill. Citizen's committee supported bill.

1969 Senate Bill 122 introduced by Senator Jack Hightower and Senator A.M. Aikin, Jr. House Bill 260 introduced by Representative Joe Shannon, Jr.

House bill amended to include a funding formula.

Library Systems Act passed by both Houses and signed by Governor Preston Smith.

$25,000 appropriated from state funds for systems. A system planner was employed at the State Library.

1971 $50,000 appropriated for systems for each of FY 1972 and FY 1973; it was distributed to the systems according to the funding formula.

1974 State Library allocated $1.8 million from LSCA funds for system support.

Campaign began for adequate state funding of systems.

1975 Legislature allocated $1 million for systems for FY 1976 and $2 million for FY 1977. State Library continued to allocate LSCA funds to supplement state funding.

Public Administration Service was employed by State Library to review the Library Systems Act.

1976 PAS study presented to TLA members and to State Library. The Commission accepted the study, but took no further action.

1977 Legislature allocated $2,134,803 for FY 1978 and $2,103,380 for FY 1979 for systems. State Library continued to supplement systems with LSCA funds.

1978 Texas Conference on Library and Information Services met. Two system resolutions were adopted:

> That systems and Library Development be given a higher priority (Level 4) in State Library budget and that the Library & Archives Commission "work diligently to achieve this goal in the 1979 Legislature."
>
> That funding for statewide library development be aggressively sought for the 1980-81 biennium at the level of $1.00 per capita.

1979 TLA ad hoc committee proposed a revised Library Systems Act to include all types of libraries. Proposal tabled by TLA members.

Texans for Libraries was established as a spin-off of the Texas Conference for Library and Information Services and the White House Conference. As an incorporated group of lay persons, members worked toward $1.00 per capita for statewide library development to be approved by the Legislature in 1981.

1980 Library Systems Act Advisory Board was requested to determine a method of evaluating and reviewing the Library Systems Act.

1981 Texas Legislature allocated $4.3 million for FY 1982 and $4.4 million for FY 1983 for statewide library development program, which raised state funding from 16¢ to 31¢ per capita.

Texas State Library and Archives Commission began certifying county librarians, which was a function previously performed by the State Board of Library Examiners.

1982 Library Systems Act Advisory Board completed its study of the Library Systems Act, which recommended that (a) each system have the option of admitting school, public, and academic libraries, and that (b) each system be given the option of being governed by a major resource center or by a membership-elected governing board.

Texas Library Association Council approved recommendations of the Texas Library Association Executive Board and Legislative Committee supporting greater flexibility in the Library Systems Act. Systems would be permitted to become membership-based rather than governed by MRCs. School, academic, and special libraries would be admitted as members.

Sunset Advisory Commission reviewed the statutes and mission of the Texas State Library and Archives Commission, with open hearings held in October, 1982 to review the staff report.

Texas Library Association's Legislative Committee and Public Libraries Division jointly created an ad hoc committee to study direct aid grants to public libraries.

1983 Texas Legislature approved a slight increase in funding for the Statewide Library Development Program increasing from approximately $4.4 million in state funding to 5.2 million in FY 1984 and $5.9 million in FY 1985.

Texas Legislature passed the Sunset Advisory Commission's recommendation to extend the life of the Texas State Library and Archives Commission through 1995. The Legislature also approved changes to the Library Systems Act permitting a major resource system to reorganize as a nonprofit corporation and then to become multi-type.

Texas Library Association's Council approved a recommendation by the Legislative Committee to endorse direct aid grants to public libraries as a legislative goal in the 1986-87 biennium.

The Northeast Texas Library System became the first system to initiate governance changes. In order to avoid high indirect cost rates at the City of Dallas, NETLS requested that the Texas State Library and Archives Commission designate Garland as the system's new MRC.

Effective with FY 1983 system grants, the Texas State Library implemented a new grants management system authorized under the state's Uniform Grant and Contract Management Act of 1981. Under this program, all grants are managed in accordance with Office of Management and Budget's Circular A-102.

III. Public Library Development and Systems: Some Key Concepts

This section has been adapted from Colonel Charles Nelson's article "The Public Library and the Texas Library System" which originally appeared in Texas System Advisory Council Information Booklet (1982). It has been edited and updated by Patricia Smith.

The Library Systems Act, adopted in 1969, enabled the Texas State Library and Archives Commission, acting through the Texas State Library, to establish a state library system consisting of a network of public library systems, related, by contract, to the state.

While the Act enabled the Commission to encourage and assist in the establishment of individual public libraries, the Commission is not authorized or required to establish such libraries itself. The Commission is only authorized to bring existing public libraries together in a system formed to improve statewide library service and to serve, collectively, the entire population of the state.

To accomplish this, the Act authorized the Commission to divide the state into geographical regions, each including at least 4,000 square miles, and to designate a large public library in each region as a major resource center (MRC).

The Commission was also authorized to establish standards as a prerequisite for system membership, with membership being on a voluntary basis. Within each region, the libraries which met accreditation standards and which applied for membership, were attached to the regional MRC for system services. These services were funded and provided through contracts made between the MRC's municipal government and the State Library.

Public libraries depend almost entirely on local support, most of which comes from city or county governing bodies through appropriation of local public funds. Historically, local government has been very reluctant to appropriate funds for library support in Texas, and this has substantially hindered library development at the local level.

To accomplish its objective of improving statewide library service through a state system, the Commission first had to encourage increased local library support. This was done with a carrot and stick technique. Local support efforts were necessary to meet system membership accreditation standards, but membership also provided services which, in many cases, could not be afforded at the local level.

By FY 1983, 79% of the libraries reporting to the Texas State Library had qualified for and accepted state system membership. Of the 90 libraries which did not hold membership, all but three served populations of less than 25,000 persons. This suggests that special efforts are still needed to encourage and assist library development in the state's smaller cities and towns and in sparsely populated counties.

How Public Libraries Are Established

The references cited here may be found by their article numbers in Vernon's Annotated Civil Statutes (VACS) or in Library Laws of Texas, a compilation of pertinent legislation which was issued by the Texas State Library in 1980.

Many of the public libraries in Texas were informally established by women's clubs, then later formally and legally established as municipal public libraries, county free libraries, or libraries operated by non-profit corporations but open to the public. Here, we are only concerned with the manner in which public libraries are legally established.

Article 1015(33), VACS, enables city governing bodies to establish municipal public libraries. Adopted in 1874, this article is brief, broad, and permissive, allowing city government wide latitude in the manner of establishment.

Articles 1677 through 1696a, VACS, enable or, in some instances, require county commissioners' courts to establish county free libraries, to join with cities and/or other counties to provide library service, and to contract for library services with already established libraries such as those operated by non-profit corporations, cities, or other counties.

Privately funded libraries open to the public may be established under the provisions of Article 1396, VACS -- the Texas Non-Profit Corporation Act. A library established under the Texas Non-Profit Corporation Act must receive its financial support in whole or in part from public funds and be freely open to all persons to be designated as a "public library."

Under the provisions of Article 4413(32C), VACS, the Texas Interlocal Cooperation Act, cities and counties may also make agreements or contracts concerning library services for the public. The intent of this act is to avoid duplication of services at the local governance level, and agreements made under provisions of the act do not necessarily involve the full scope of all public library services. For example, a county library might agree to provide bookmobile service for a city library, with both libraries continuing independent operation otherwise.

Public Library Service at the Local Level

When we review public library service at the city and county levels of local government, we find a variety of situations, each of which must be considered in relation to the state library system and to system membership. These situations include:

(1) Unserved counties in which there are no county or municipal libraries, and in which no arrangement has been made to contract for service from an already established library located outside the county.

(2) Counties in which the only service is provided by a county free library.

(3) Counties in which the only service is provided by a municipal public library, funded entirely by the municipality.

(4) Counties in which a county free library and one or more municipal libraries operate independently of each other.

(5) Counties in which a county library and one or more municipal libraries have joined in a consolidated library system, operating under one governing body, with one of these libraries designated as the main library and the others as branch libraries.

(6) Counties which have joined by contract to provide a multi-county library service, operating under one governing body.

(7) Situations in which two or more independent libraries in one or more counties have joined by contract to form a federated library system, with each library retaining its independence, but with a "headquarters" set up for the system to provide services which all libraries share, such as automated cataloging or central purchasing.

(8) Counties or municipalities which receive service from a privately funded library, operated by a non-profit corporation, and which make some allocation of public funds for support of this library.

Qualification for System Membership

Under authority given by the Library Systems Act (Article 5446a, VACS), the State Library and Archives Commission adopts Rules and Regulations which establish policy for the Texas Library System. These include standards which public libraries must reach to qualify for system membership.

While other criteria are sometimes at issue, the standards which are most often at issue concern annual per capita local expenditures, library collection size, staffing, and hours of operation. Each of these four standards is scaled according to the size of the population which the library serves. Experience suggests that libraries serving large populations, in most instances, have less difficulty in meeting accredication standards than do small libraries.

The Commission's policy has been to grant membership to individual public libraries, to consolidated library systems as systems, and to federated library systems as systems. Therefore, when we speak of a state system "member," we may be speaking of an individual library, a consolidated local system, or a federated local system.

This is an important consideration in system affairs at regional and local levels for two reasons. The individual public library and the consolidated system operate under one local governing body, while the federated system does not. Also, the regional MRC provides service to the main library of a consolidated system, not to its branches, but service is given directly to each member of a federated system.

In some instances, the difficulty which small libraries have in qualifying for state system membership has been an incentive for forming local consolidated or federated systems. However, as a local policy, some federated systems require all of their libraries to qualify independently for state system membership, even though such membership is awarded to the federated system as a unit (e.g., Hidalgo County Library System).

Participation In System Affairs

After qualifying for membership, the public library, consolidated system, or federated system can take an active part in the development of both regional and state system policies and services. But this participation is essentially voluntary. The influence which the system member has on such matters depends on the effort which the member can and wishes to make.

The Library Systems Act requires the governing body of each state system member to biennially elect or appoint a lay representative. Within each region, lay representatives meet once a year to fill vacancies on an elected six-member major resource advisory council. Other general meetings of the membership may be held during a year as necessary.

We may think of the advisory councils as regional advisory library boards, formed to advise and assist the MRC in matters concerning system services.

But in addition to this advisory responsibility, the Rules for Administering the Library Systems Act give such councils another function which has become very important in system affairs. This is to review all MRC-proposed plans, programs of service, and budget estimates, and to indicate agreement or disagreement before such documents are sent to the State Library for final action.

At this point, we must digress briefly to cover the manner in which state system services for members are funded and provided.

The State Library and Archives Commission receives funds for Texas Library System operation from both state and federal sources. After the expenses of the State Library itself have been met, the Library Systems Act requires that remaining state funds be allocated to the ten regional systems, with 25% being divided equally among the regions and the other 75% being apportioned on a per capita basis. Available federal funds are allocated on much the same basis.

Early in each calendar year, the State Library informs each MRC of the approximate amount of funds which that MRC can anticipate for the coming state fiscal year, which begins on September 1. With this as a general guide, the MRC, with advice from its advisory council and regional system membership, updates its long range plan of service and prepares a detailed proposed annual program of service and budget estimate. When this has been approved by the State Library, it acts for the Commission to contract with the MRC's municipality to provide the services in question.

This procedure gives the MRC substantial latitude to develop regional programs and to determine the regional funding priorities for these programs. Through the advisory council's program and budget review function, the regional membership can both assist in and influence this regional programming. Usually this is accomplished by program evaluation and planning committees, consisting of member librarians and lay representatives appointed by and reporting to the advisory council. But the manner in which this is done is determined by regional policy and is not necessarily the same in all regions.

In theory, each member librarian and each lay representative have equal opportunity to participate in regional system planning and policy determination. But in fact, small library participation is limited by staffing and by funds available for travel, which can involve distances of several hundred miles for round trips. Experience suggests that large libraries tend to participate more actively and more consistently in system affairs than do small libraries.

Some library systems have attempted to remedy this by dividing themselves into two or more areas, giving small libraries better opportunity to participate in area meetings, whose recommendations are then presented at regional meetings and to advisory councils.

Nonprofit Corporation Governance

Following the sunset review process which the Texas State Library and Archives Commission underwent in the 1983 legislative session, major resource systems were given the statutory authorization to reorganize as nonprofit corporations.

This authority to reorganize was in response to the concern raised by some library leaders that systems were not always satisfactorily managed. The concern was that the MRC, which provides regional services, is governed by its municipality, not by a regional body. In a few cases, policies or operating procedures of the municipality directly conflicted with the will of the system members. Also, there was significant concern that the administrative costs (i.e., indirect costs) paid to the municipality for managing the grant were excessively high in some cases. Another motivation for amending the Library Systems Act was the issue of property ownership. For systems considering major automation projects, some members fear the loss of their right to own the property if the MRC ever drops out of the project. Under the Uniform Grant and Contract Management Act of 1981, the cities receiving grant funding may retain ownership of property with a unit acquisition cost up to $999. In situations where the MRC is contributing significantly to the cost of the automation equipment, separating the equipment between participating parties could become quite cumbersome.

Another product of the sunset process was that a system which has reorganized itself as a nonprofit corporation has the right to become multi-type. The nonprofit corporation's board of directors has the authority to adopt bylaws which "include provisions for the participation of libraries." Only the nonprofit corporation, or "regional library system" as it is called in the amended Library Systems Act, has this prerogative.

In order to reorganize as a nonprofit corporation, the major resource system members must desire this reorganization and must ensure that their libraries' governing bodies (i.e., city councils, commissioners courts, and boards of directors) approve the action. Two-thirds of these governing authorities must approve the action before it becomes reality.

CHAPTER TWO

The Governance of Systems

This chapter provides a detailed description of the way in which systems are governed. System governance at the regional level is taken up in the first section. In the second section, the role of the State Library and Archives Commission in system governance is discussed.

I. System Governance at the Regional Level

This section is adapted from an article written by Colonel Charles Nelson which appeared in Texas System Advisory Council Information Booklet (1982). It has been edited and updated by Patricia Smith.

When considering governance, we must first understand that governing authority can only be exercised by a legally established governing body and that this must be a single body.

At the state level, governing authority over the Texas Library System is exercised by the State Library and Archives Commission.

At the regional level, governing authority over services provided is exercised by the MRC's municipal governing body, acting as a contractor with the State Library. The regional "system" has no legal entity, nor does the region, as a region, have any governing authority over system matters. The MRC is responsible for planning, organizing, staffing, and directing system services. Monies received for the program are deposited into city accounts and are expended by the MRC for purposes specified in the annual program of service. These monies are subject to an annual OMB A-102, Attachment P "single audit."

The annual program of system services is submitted to the State Library. Within sixty days, the State Library staff is responsible for reviewing the plan and certifying its acceptance. If the State Librarian, after consulting with the major resource system, finds the plan unacceptable, the State Librarian may recommend that the Commission revoke the MRC's designation or withhold funds from the system until the plan is acceptably redrawn. If the plan is not redrawn satisfactorily, the Commission will hold a public hearing in the system to exchange information among the State Library, member librarians, the system advisory council, and the MRC. If, following this hearing, the plan is still not satisfactory, the Commission may revoke the MRC's designation, thereby dissolving the system. We have been very fortunate that conflicts involving the plans of service have been resolved with the minimum of problems in the past, due in large part to the willingness of all parties to compromise and negotiate.

At membership level, we find several governance situations:

(1) The municipal public library, governed by the city's governing body (Article 1015[33], VACS).

(2) The county free library, governed by the county commissioners' court (Article 1677, VACS).

(3) The library operated by a nonprofit corporation, governed by a board of directors or trustees (Article 1396-2.14, VACS).

(4) A consolidated library system, formed when a county free library and one or more municipal libraries in the county join under one governing body, either county or city as may be locally determined, with one library being declared as the main library and the others as branches.

(5) A federated library system, formed when two or more independent libraries in one or more counties retain their independence and separate governance but contract between themselves to set up a system headquarters for the purpose of providing common use services, such as automated cataloging. Arrangements of this type can be made under the Texas Interlocal Cooperation Act (Article 4413[32c], VACS).

The Library Systems Act provides that the powers of the MRC's governing body in no way diminish the powers of local government (Article 5446a, Section 11[e], VACS).

Member Library Boards

In the case of a nonprofit organization, the library board has governing authority over the member library.

In the case of the county free library or municipal public library, governing authority rests with the county commissioners' court or city council.

The primary role which the member library board has in system affairs is to advise and assist the library in its actions to remain qualified for system membership by meeting accreditation standards. The board may also initiate recommendations for regional or state policies concerning system matters. Or it may report system services which the board considers particularly helpful or unsatisfactory.

Although lay representatives are not required to be library trustees, library trustees often serve in this capacity.

Lay Representatives and Member Librarians

Member librarians are appointed by local governing bodies. Lay representatives are appointed or elected by such bodies to serve a term of two years, with no limit on the number of terms served. Unlike council members, these individuals' expenses to meetings are not reimbursed by the system.

During the annual meeting of lay representatives in every system, the representatives elect individuals from among their group to fill council vacancies. Lay representatives may be elected to serve not more than two consecutive three-year terms on regional advisory councils. Both lay representatives and member librarians serve on regional system committees and may, from time to time, serve on state committees as well. Both lay representatives and member librarians attend system business and planning meetings, complete system questionnaires ranking the services, serve on committees, and participate in the system decision-making process.

Unlike council members, lay representatives and member librarians can freely advocate a position most favorable to the local library. Council members, on the other hand, represent the interests of the entire region, which may or may not coincide with local priorities. Some libraries replace their official lay representatives when their representative is elected to council.

Under the amended Library Systems Act, voting by lay representatives will be proportional, or weighted, in terms of the population of the respective libraries. The purpose of this change, which was approved by the Texas Legislature in 1983, is to give larger libraries a greater share of the vote. Therefore, any vote in which the lay representatives' opinions are sought will be taken in accordance with the state-adopted rule on proportional voting.

System Advisory Councils

The Library Systems Act calls for the creation of a system advisory council in each major resource system, composed of six citizens whose purpose is to "serve as a liaison between the member libraries and their governing bodies and library board to:

advise in the formulation of the annual plan of service to be offered by the system;

recommend policies appropriate to services needed;

evaluate services received;

counsel with administrative personnel; and

recommend functions and limitations of contracts between cooperating agencies."

Their duties are clarified in the Rules for Administering the Library Systems Act, which require that all official planning documents (annual plan of service, long range plan, bylaws, contract amendments) be reviewed by the council. The council chairman must sign a Certification of Review by the System Advisory Council and must submit this document to the State Library. If a majority of the council indicates dissatisfaction with any document, the dissatisfaction is noted, thus activating a review by the State Library staff and possibly by the Texas State Library and Archives Commission.

The system advisory councils are also charged by the State Library to approve the requests by the system staff or MRC director for changes or revisions to the annual program. Such changes may take the form of contract amendments or may simply be scope changes, which are changes in the method by which a program is implemented.

To assist in program evaluation and in the review of proposed programs and budgets, the regional advisory councils can appoint committees of member librarians and lay persons. This enables the regional membership to take an active part in developing programs which meet regional needs and interests and in determining the funding priorities for these programs, within the limit of total regional funding.

However, the recommendations of the regional membership and advisory council are not binding on the MRC, and these may be overridden by the MRC's municipal government when completing contract arrangements with the State Library.

To orient new advisory council members and to provide more experienced council members with an opportunity to share ideas with their counterparts, the Texas State Library hosts a statewide advisory council conference in the fall of even-numbered years in Austin. Council members are encouraged to attend at the expense of their library system. In odd-numbered years, regional conferences are often held by library systems that wish to join together. It is the ongoing responsibility of the MRC director and system coordinator to constantly orient and assist council members, by providing them with information. Under the LSA Rules for Administering the Library Systems Act, systems must provide council members and member librarians with audits, expenditure reports and other fiscal information, as well as program evaluation reports. In addition to these types of documents, orientation is an ongoing process and is not limited to periodic meetings or reports.

We should note that the new system coordinator should review the bylaws of his/her system to determine the frequency of council meetings and the process for participating in the development of the system annual and long range plans. In most instances, the bylaws specify when meetings to review these important documents are held. Generally system coordinators should place on the agenda any revisions to the budgets or annual programs.

In accordance with the amended Library Systems Act, it is possible for a system council to have more than one representative from a single library. Each system's bylaws can include a policy determining whether there will be proportional representation.

Organizational Chart

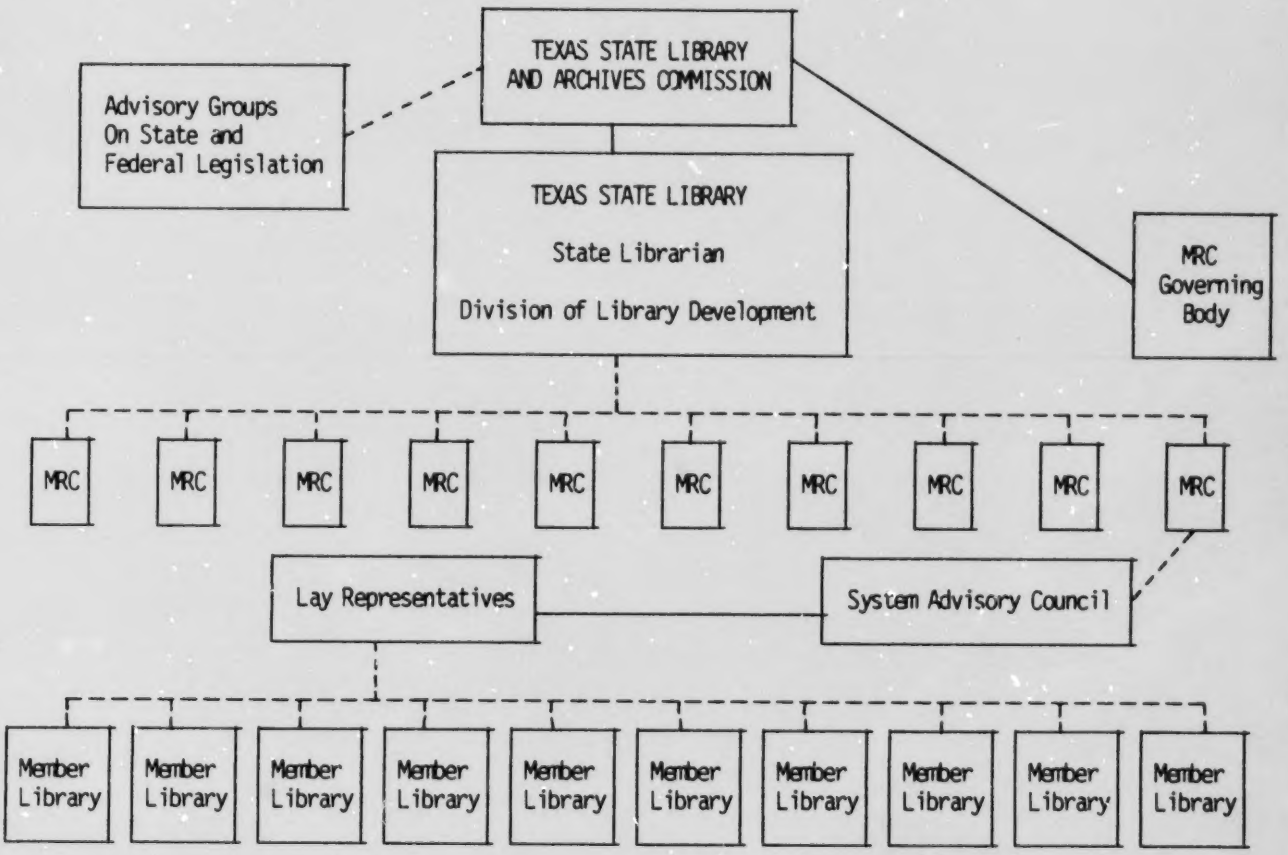
We cannot prepare a conventional organizational chart for the Texas Library System because there is no clear line of governance which runs from state level down to and including system member level. But we can indicate the flow of system actions, shown by solid lines on the chart (Figure 1) which follows.

Dotted lines indicate the flow of advisory actions and recommendations, moving upwards from member level. You will note that member communications do not necessarily have to pass through the MRCs but can go directly to state level.

Figure 1

V. ORGANIZATION OF THE STATE LIBRARY SYSTEM

(MAJOR RESOURCE SYSTEMS)



II. The Role of the State Library and Archives Commission in System Governance

This section was compiled by Patricia Smith.

The State Library and Archives Commission

The State Library and Archives Commission (hereafter generally referred to as Library Commission or Commission) was created in 1909 by act of the Texas Legislature. It is composed of six members appointed by the Governor and approved by the Senate, who hold membership for terms of six years. The responsibilities of the Commission have been augmented from time to time. The 1961 legislature made quite clear that the "Commission shall be responsible for the adoption of all policies, rules and regulations so as to aid and encourage libraries,..." It is notable that in the 1983 legislative session, the Commission was specifically charged with coordinating library development, which is a broad power to coordinate services among academic, public, school, and special libraries. Inclusion of this authority was the result of tireless efforts by many librarians in the state, who lobbied the Sunset Advisory Commission.

The law also provides (Article 5436, Vernon's Annotated Civil Statutes) that "the Commission shall conduct library institutes and encourage library associations." The implications of these provisions include an educational role for the State Library on behalf of all libraries, and professional and library development through associations of librarians.

Some of the legal provisions relating to the Library Commission pertain to its role in connection with public libraries in particular, as institutions of special interest to the state. A basic responsibility of the Commission is "to adopt a state plan for improving public library services and for public library construction." The law specifically calls for the plan to include county and municipal libraries, and calls for it to specify "a procedure by which county and municipal libraries may apply for money under the state plan...." The Commission is authorized to enter into contracts with local authorities for meeting federal requirements in the expenditure of federal funds for improving public libraries, and to accept and administer federal funds for that purpose.

The Commission has a consultative role with respect to public libraries, being charged by law with giving advice regarding the establishment of public libraries, and in operational aspects including book selection, cataloging, and library management (Article 5436a, Vernon's Annotated Civil Statutes).

The State Library Systems Act places ultimate responsibility for system governance with the Texas State Library and Archives Commission, in that the Commission is charged with the following:

- establish and develop major resource systems in conformity with the plan for a state library system as provided in Chapter B, Section 5 of the Library Systems Act. (Chapter C, Section 6)

- appoint an advisory board of five librarians qualified by training, experience, and interest to advise the Commission on the policy to be followed in the application of the provisions of this Act. (Chapter B, Section 4(a))

- establish and develop a state library system. (Chapter B, Section 3)

- establish library standards to be used to determine eligibility for membership in the system. (Chapter C, Section 7(a))

- reorganize, merge, or partially transfer systems with the approval of the majority of the appropriate governing bodies of the libraries comprising the system in order to address population changes, economic changes, or changing service strengths of member libraries. (Chapter C, Section 7(b))

- enter into contracts and agreements with the governing bodies of other libraries, including but not limited to other public libraries, school libraries and media centers, academic libraries, technical information and research libraries, or systems of such libraries, to provide specialized resources and services to the major resource system. (Chapter C, Section 8(d))

- designate major resource centers. Designation shall be made from existing public libraries on the basis of criteria approved by the Commission and agreed to by the governing body of the library involved. (Chapter D, Section 11(c)

- revoke the designation of a major resource center which ceases to meet the criteria for a major resource center or which fails to comply with obligations stated in the resolution or ordinance agreements. The Commission shall provide a fair hearing at the request of the major resource center. (Chapter D, Section 11(c))

- designate Area and Community libraries. (Chapter D, Section 12 and 13(a))

- revoke the designation of an Area or Community library. (Chapters D, Section 12 and 13(c))

- promulgate rules and regulations for the administration of the Library Systems Act. (Chapter E, Section 15)

Texas State Library and Archives Commission

Mrs. Ed Palm, Chairman
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9-85

Anne Walker Cragg
316 Uvalde
McAllen, Texas 78501
9-87

Mr. John Ben Shepperd
1208 Texas Commerce Bank
Odessa, Texas 79761
9-87

Senator Ralph W. Yarborough
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9-89

Mr. Price Daniel, Sr.
Cambridge Tower
1801 Lavaca, #7-G
Austin, Texas 78701
9-85

Mr. T. F. Glass, Jr.
2727 Kirby Drive
Houston, Texas 77098
9-89

The State Librarian

The State Librarian is the executive and administrative officer of the Commission. As such he assists the Commission in the formulation of policy and carries out the programs authorized by the Commission in accordance with the law. He appoints personnel at the State Library. He is also required to ascertain the condition of all public libraries and report the results, which is done through the Texas Public Library Statistics.

The 1969 Library Systems Act expanded the State Librarian's responsibilities to include serving as the chief executive officer of the law. Specifically, the State Librarian's responsibilities under the law are the following:

- submission of an initial plan for the establishment of the state library system and an annual plan for the development of the system for review by the advisory board and approval by the Commission. (Chapter B, Section 5)

- review of the initial and annual plan of service for the major resource system which has been submitted by the governing body of a public library proposing to become a major resource center. (Chapter C, Section 9(c))

- with the advice of the advisory board, formulation of proposed initial and revised rules and regulations necessary to the administration of the program of state grants. (Chapter E, Section 15)

- administration of the program of state grants and promulgation of rules and regulations approved by the Commission. (Chapter E, Section 16)

The State Librarian is Dorman H. Winfrey, Texas State Library, Box 12927, Capitol Station, Austin, Texas 78711. He may be reached at 512/475-2166.

The Library Systems Act Advisory Board

This five member board is appointed by the Commission to a three year term, with the possibility of one reappointment to a successive term. Its role is to "advise the Commission on the policy to be followed in the application of the provisions of the Library Systems Act."

Usually two or three meetings are held annually for the purpose of reviewing system rules and recommendations and recommending policies for administering the system program.

Serving on the LSA Advisory Board are David Henington (1983-1986); Dorothy Peterson (1983-1986); Brooke Sheldon (1982-1985); Cynthia Bennett (1981-1984), and Paul Vagt, chairman (1981-1984). By law, only persons qualified by "training and experience" in librarianship may serve on the board. Commission members always welcome nominations to this board, when they consider appointments usually during August of each year.

The LSCA Advisory Council

The Library Services and Construction Act (LSCA) Advisory Council is representative of the citizenry of the library community, including the disadvantaged, the blind, the institutionalized, and various types and sizes of libraries. Appointed by the Texas State Library and Archives Commission for three year terms, the members of the LSCA Advisory Council traditionally have the following responsibilities:

-- Review the State Plan, as prepared by the Texas State Library staff

-- Recommend any changes in the State Plan for consideration by the Texas State Library staff and the Texas State Library and Archives Commission

-- Rank the projects described in the annual program in priority order for approval by the Texas State Library and Archives Commission

-- Recommend to the Texas State Library staff and the Texas State Library and Archives Commission any policies or procedures to improve the administration of the LSCA program

-- Review proposals submitted for Title III funding

The Council's purpose is to advise the Commission on programs which are entirely or partially funded from federal LSCA sources, with regard to funding priorities for these programs, and with regard to Commission policies concerning the programs.

The scope of the Council's responsibilities are much broader than the Texas Library System, but the system does receive a substantial part of the LSCA funds allocated at the Council's recommendation.

Some of the related areas with which the Council is concerned include fund allocation for the state interlibrary loan network, the MRC bibliographic network, and the review of the Title III proposals for multi-type cooperation.

Library Services and Construction Act Advisory Council

Ms. Myra McDaniel, Chair
Attorney at Law
3910 Knollwood Drive
Austin, Texas 78731
9-1-84

Ms. Evelyn ('Lyn) Benton, Vice-Chair
Librarian
5874 Doliver
Houston, Texas 77057
9-1-84

Ms. Kathryn (Kappy) Meharg, Head Librarian
Bellaire High School
2631 Pittsburg
Houston, Texas 77005
9-1-85

Ms. Jean Miller
UT Health Science Center at Dallas
5323 Harry Hines Boulevard
Dallas, Texas 75235
9-1-85

Library Services and Construction Act Advisory Council, continued

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9-1-85

Ms. Christene Green, Librarian
Giddings State School
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Giddings, Texas 78942
9-1-85

Mrs. Dorothy Hawthorne
1510 Ash Street
Commerce, Texas 75428
9-1-85

Dr. Edward R. Johnson, Director
A.M. Willis Library
North Texas State University
Box 5188
Denton, Texas 76203
9-1-85

Mrs. Mary Frances Lamport
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Austin, Texas 78757
(512) 453-8802
9-1-84

Mr. David M. Calloway, Librarian
Montgomery County Library
P.O. Box 579
Conroe, Texas 77301
9-1-86

Ms. Frances W. Isbell, Librarian
Weslaco Public Library
515 S. Kansas Avenue
Weslaco, Texas 78596
9-1-86

Mr. Lee Paulsel
1900 Canterbury Drive
Fort Worth, Texas 76107
9-1-86

Mr. Ramiro S. Salazar, Librarian
Eagle Pass Public Library
589 Main Street
Eagle Pass, Texas 78852
9-1-86

The Library Development Division: An Overview

This division of the State Library supplanted the former Field Services Division in 1972. It consists of two operating sections, both of which have concerns involving the public library systems. Full-time planning and administration of systems matters are carried out in this division. It is the major operating arm of the State Library for executing responsibilities under the Library Systems Act.

Organization and Functions of the Library Development Division

In its present form the division consists of two departments organized along functional lines and reporting to the division director. The major responsibilities of each component of the division are discussed briefly below.

(1) Office of the Director. The director is responsible for the overall direction, planning, financial management, and supervision of the division's two departments within the framework of the State policies and applicable rules and regulations of the Library Services and Construction Act and the Library Systems Act. One of the six division directors of the State Library, the director works under the general administrative direction of the Assistant State Librarian, and confers frequently with the Assistant State Librarian and the State Librarian regarding budgetary, administrative, and operational matters pertaining to the division. Supervision is exercised over all assigned personnel.

(2) Network and Consulting Services Department. This department is responsible for the management and operation of the following statewide services:

- Texas State Library Communications Network (TSLCN): Provides loans of library materials and answers to reference questions through interlibrary loan referral centers in ten of the largest Texas public libraries. Services are available to public, special, two-year and four-year academic libraries via telephone, mail, and computer (OCLC).

- Library Science Collection: Provides materials, reference service, and technical assistance on all aspects of librarianship.

- Videocassette Lending Library: Makes more than 1000 3/4" videotapes available to libraries.

- Continuing Education Services: Designs and conducts workshops for librarians and library board members. Produces instructional manuals to complement workshops or to be used as self-study guides. Publicizes training opportunities.

- Consulting Services: Provides advice and technical assistance to librarians on a wide variety of topics. Areas of particular expertise include establishing local libraries, automation of library activities, library services to special groups, and continuing education activities.

- Texas Reading Club: Provides professionally produced posters, bookmarks, reading logs, and certificates for the annual reading clubs sponsored by local libraries.

- Institutional Services: Operates a federally funded project to purchase books for public residential institutions, such as state hospitals, prisons, and state schools.

- Jobline: Operates a telephone recording service which announces job vacancies in the state.

- Informational Materials Distribution: Produces and distributes a wide variety of materials (e.g., a newsletter) to inform and aid librarians.

The staff of this department includes the manager, four consultants, and the library science librarian.

(3) Systems Development Department. The Systems Development Department is responsible for discharging the duties of the Texas State Library as mandated by the Library Services and Construction Act (LSCA) and the Library Systems Act (LSA). Generally charged with planning, monitoring, and evaluating a statewide network of regional library systems, the department performs the following primary functions:

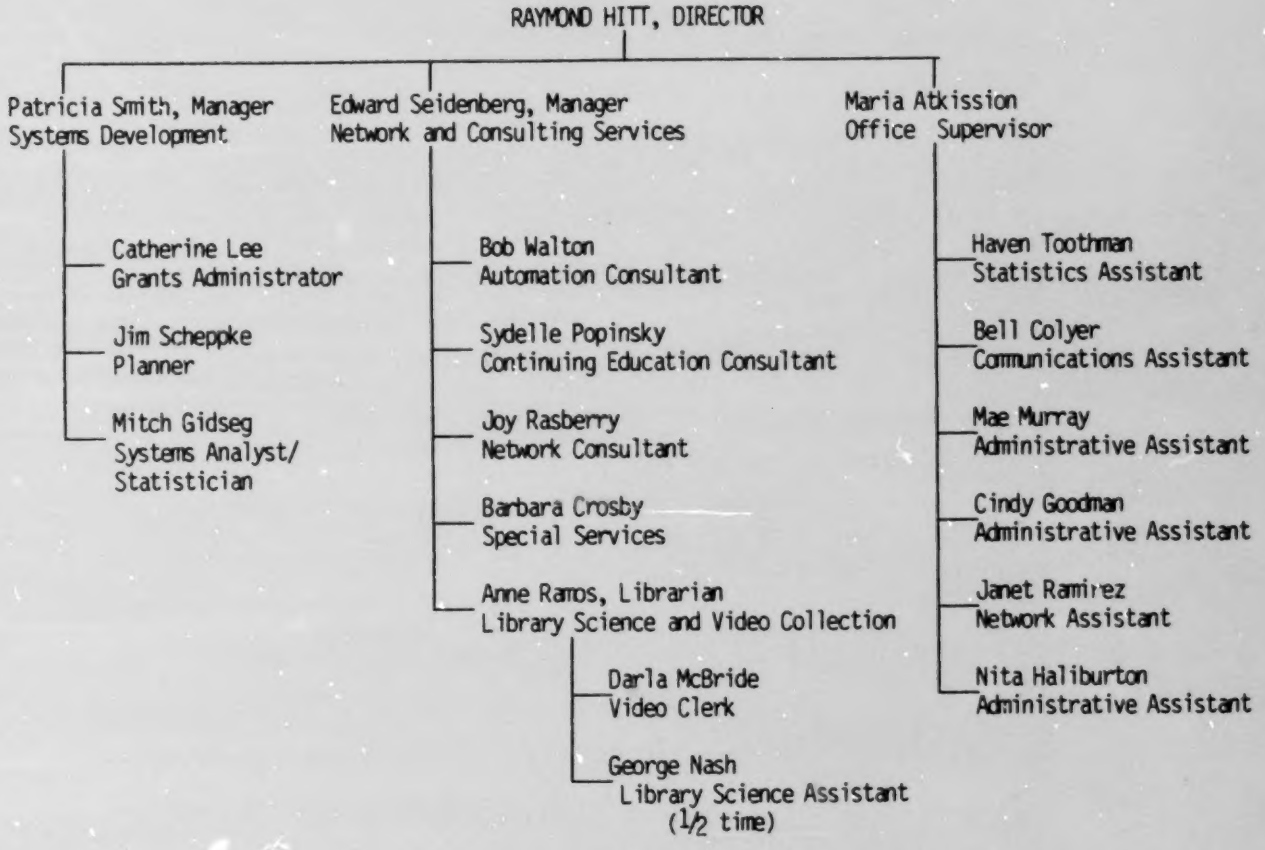
- Prepares and periodically updates a long-range plan for statewide library development.
- Designs reporting instruments and procedures for the collection and analysis of data to assess the status of Texas library services.
- Establishes and implements a system to administer state and federal grants and negotiates, prepares, and monitors contract performance standards in accordance with state and federal statutes and regulations.
- Reviews and recommends funding for LSCA and LSA project applications.
- Establishes procedures and criteria to evaluate major resource systems and local library performance, and to provide program documentation required by LSA and LSCA.
- Provides assistance to the Major Resource Systems in planning and implementing cooperative library programs.
- Studies and recommends new or revised legislation or policies for the improvement of library services.
- Obtains citizen input for statewide planning and development through the Library Systems Act Advisory Board, Library Services and Construction Act Advisory Council, and other advisory bodies.
- Prepares training materials and conducts training sessions for system coordinators.

Headed by a manager, the department is staffed by a grants administrator, a planner, and a systems analyst/statistician.

Figure 2 provides an organization chart for the division and a listing of individuals with those particular assignments directly affecting system staffs.

Figure 2

LIBRARY DEVELOPMENT DIVISION
STAFF ORGANIZATION CHART



Library Development Division Personnel and Responsibilities

Raymond Hitt	Director of the Library Development Division. Responsible for all aspects of the division's work program. Serves as project manager for the county librarian's certification program.
Pat Smith	Manager of the Systems Development Department. Oversees accreditation of public libraries; oversees administration of grants and contract negotiation; assists system coordinators, MRC directors and regional advisory councils in interpreting and administering the Library Systems Act; supports the work of the LSA and LSCA Advisory Councils; and controls annual and zero base budget of the Systems Development Department.

Jim Scheppke	Planner. Documents goals and objectives for statewide library development and prepares federal LSCA long range plan. Consults with local libraries and systems of libraries in planning and evaluation techniques. Formulates and recommends library and system policies based on research data. Reviews for accuracy and completeness annual and long range plans of service prepared by the systems. Specifies data gathering and analysis requirements for Library Development Division. Recommends indicators to measure efficiency and effectiveness of library services for systems and local libraries. Serves as Project Manager for Title III and MURLs grant projects.
Catherine Lee	Grants Administrator. Recommends audit, property management, and fiscal policies for all subgrantees. Prepares auditing manuals and conducts occasional on-site audits. Determines audit exceptions and their resolutions. Prepares federal documentation and federal/state expenditure reports.
Mitch Gidseg	Statistican/Systems Analyst. Analyzes data about Texas public libraries for publication. Gathers, verifies, analyzes and publishes statistical information about Texas academic and special libraries. Analyzes trends in various data for use in budgeting and evaluation. Provides training and technical assistance to State Library staff and librarians in collecting and utilizing statistics or methods of statistical analysis.
Maria Atkission	Office Manager. Supervises administrative assistants and clerks. Occasionally will serve as State Library liaison with system coordinators regarding data submitted on the Standardized Reporting Form and other fiscal/program reports.
Haven Toothman	Statistics Assistant. Processes annual reports submitted by public libraries. Accredits public libraries for system membership. Coordinates the publication of Texas Public Library Statistics. Assembles miscellaneous data related to library operations upon request.
Cindy Goodman	Types, assembles, mails, and checks in contracts and contract packets. Processes amendments to contracts approved by project managers. Uses word processor to compile list of property and prepares property inventory packets. Enters Standardized Reporting Form from systems into word processor.
Ed Seidenberg	Manager of the Network and Consulting Services Department. Negotiates and monitors interlibrary loan contracts with resource libraries. Supervises consultant staff. Oversees continuing education services for librarians, the library science collection, and the videocassette collection. Prepares and controls budgets for continuing education and network activities.

Janet Ramirez	Network Assistant. Collects, samples, and computes network turnaround time, response time, usage statistics, and system workload performance measures. Processes applications for county librarian certificates.
Joy Rasberry	Network Consultant. Assists in management and operation of TSLCN. Provides technical assistance and instruction to ILL librarians in referral centers. Updates ILL user manuals and ILL operational procedures. Assists in developing plans for sharing library resources, communications, and technology among different types of libraries.
Bob Walton	Automation Consultant. Consults with librarians, system staff, and others in area of computer applications. Provides assistance and guidance to local library staffs on tasks and issues in library automation. Plans, implements, and evaluates continuing education program in computer technology. Provides technical advice in the review of prior approval and grant application requests to the State Library.
Syd Popinsky	Continuing Education Consultant. Consults with public librarians, library system staff, library associations, library governing boards, interested citizens, and librarians in other types of libraries in the areas of staff development, continuing education, trustees, library operations, management, and establishment. Plans, implements and evaluates a statewide program of librarian continuing education. Serves as project manager for establishment and incentive grants.
Barbara Crosby	Special Services Consultant. Consults with institutional librarians, public librarians, regional system staff, library governing authorities, and interested citizens to improve library management. Edits Library Developments newsletter, a publication of the division available free to subscribers. Manages Reading Club program and institutional grant program. Plans, implements, and evaluates a continuing education program for librarians.
Bell Colyer	Communications Assistant. Serves as production manager for Library Developments newsletter. Coordinates and prepares other publications. Maintains divisional computerized list. Maintains Texas State Library Jobline. Provides clerical and administrative support for workshops, including reservations.
Anne Ramos	Librarian, Library Science and Videocassette Collections. Supervises operation and staff of the LSC and 3/4" Videocassette Collection. Develops bibliographies and subject oriented packets of materials. Provides technical assistance to librarians of all types of libraries. Manages clearinghouse for library system workshops and public relation materials. Maintains circulating audiovisual equipment.

Darla McBride	Video Clerk. Processes requests for 3/4" videocassettes; maintains catalogs, mailing lists, and inventories of video supplies. Answers routine questions about videocassette policies and holdings of the collection.
George Nash	Library Science Collection Clerk. Processes requests for loan or distribution of LSC library materials and publications.
Mae Murray	Orders supplies from agency purchasing office. Controls inventory of office supplies. Maintains log of division print requests. Sorts and moves mail within the division. Prepares travel authorization, travel vouchers, and other documentation for professional staff, advisory councils and boards. Types reports and correspondence. Enters statistical data on CRT computer terminal. Mails and processes orders received for Texas Reading Club materials. Answers telephone and receives public. Maintains files.
Nita Haliburton	Receives the public and answers the telephone. Maintains office files. Types correspondence, reports, surveys, mailing lists, statistical tables. Receives, checks in and sends out reminder notices on surveys and reports. Mails large quantities of publications. Compiles monthly statistics.

Systems Operations at the State Level

The concerns of the State Library with respect to development and operations aim in two distinct directions. The first is toward the responsibility which it has been given by the Legislature and Governor for the operation of the Systems Act and the requirements of accountability and stewardship in this regard. The other is toward the goal of aiding public libraries to reach higher levels of service to the millions of patrons in Texas. These twin endeavors, sometimes appearing to be in conflict and subject to misunderstanding by parties who understand mostly one or the other, require a careful balancing and flexible approach. Making excessive demands of the public libraries in greater measure and sooner than their understanding and ability to adjust will allow, or failure to achieve a reasonable degree of progress in library development in the eyes of the state government, could prejudice the long-sought program which was ushered in by the Systems Act. The State Library, in its operations under the Act, is required to steer a course that will bring about library development in terms of quality and speed that satisfy both the funding source--the State--and the implementing agencies--the public libraries. These dual concerns need to be kept in mind in considering the following discussion of the operations of the library systems in relation to the administrative imperatives faced by the State Library.

Accountability to state government. More and more, as public expenditures have increased as a percentage of national income, governments are asking what benefits are derived. The State of Texas has instituted zero base budgeting as a managerial scheme to provide program measurements and relate them to dollars expended. The State Library is subject to this procedure.

However, the State Library is not solely affected by the need for accountability. For those programs involving participation of aided libraries, and especially in the operation of library systems, the recording and reporting of performance and related costs cannot be done by the State Library alone. It requires the participation of every library in the system.

For the public libraries and the systems composed thereof the value of this comparative data is also important in planning and management. Therefore, the legal and political necessity of reporting performance data to the state is a form of self-service, both in securing managerial information for libraries' own use and for encouraging continued financial and program support from the state government.

Recently, the State Library has had to stipulate that zero base budgets will become binding on system operations. When zero base budgets are constructed, care should be taken to ensure that the plans are feasible and likely to be followed with a great degree of faithfulness.

Responsibility to library systems. The State Library has certain legal responsibilities to the ten Major Resource Systems set up under the Act. A singularly important one is to prepare annually a plan of library development for public libraries of the state.

In practice, the leadership and coordinative roles of the State Library are critical to the full realization of system potential, as can be seen in efforts to bolster the strength of cooperative efforts, provide guidance in standards, and promote understanding of the program potentials in areas of little or no previous experience. Clearly implied is the State Library's responsibility for encouraging intersystem collaboration, a matter of particular importance to the top fifteen or twenty public libraries, but one which can also vitally influence all libraries in regard to certain services where the largely artificial boundaries of regional systems have little meaning. The State Library also is expected to hear and consider the mutual concerns of all types of libraries interfacing with system libraries. Similarly, the State Library has the implied responsibility for examining the state's potential role in multi-state and national system matters, and in participating in these broader concerns under the mandates of state law and on behalf of all libraries.

Rules for Administering the Library Systems Act. The Library Systems Act states that the State Librarian, with the advice of the LSA Advisory Board, proposes rules and regulations "necessary to the administration of the program of state grants, including qualifications for major resource system membership." The Commission then holds a public hearing and adopts the rules which will be in force for the following two years.

The Rules for Administering the Library Systems Act are the official policies which must be followed. They are important in guiding the general operation and administration of the system; the biennial revisions provide an opportunity to adjust the system to meet current needs.

The Rules for Administering the Library Systems Act are divided into four sections:

(1) Standards for Accreditation of a Major Resource System of Libraries

This section states the requirements and obligations of administering a major resource system.

(2) Minimum Standards for the Accreditation of Public Libraries

This section states the requirements which must be met by a public library in order to be a system member.

(3) Grants: System Operation, Incentive, Establishment and Equalization

This section details the policies and procedures for different types of grants.

(4) System Advisory Council

This section presents the policies regarding membership of an advisory council.

State Policies Affecting Library Systems

There are several state policies which will guide activities by library systems. These policies stem from state statutes or from interpretations of legislative intent by the State Librarian or the State Library and Archives Commission. Interpretations can, of course, evolve over time so it is necessary that systems consult with the State Library staff when they feel they are in a "gray area" on some matter.

Promotion of Library Associations

The State Auditors Office has recently stated that library systems cannot use state or federal funds to promote memberships in professional associations or to promote attendance at professional association conferences. Systems can no longer publish conference registration forms or membership forms in their newsletters or solicit memberships in other overt ways.

The State Library staff has stated that it is permissible for systems to publish the general conference agenda and meeting times in the "continuing education calendar" sections of the system newsletters. Simply publishing this listing in the same way as they would publish news of other continuing education events would not violate state policy.

The staff has also determined that it is permissible for systems to distribute mailing lists of system member libraries, lay representatives, and council members for other groups to recruit members in professional organizations. In doing so, they are simply making information available upon request. Similarly, there is no restriction on verbal communications about professional associations when system staff consults with local librarians.

Lobbying Activities

The State Library and Archives Commission and the State Librarian have strongly discouraged system staffs from engaging in lobbying activities such as using the system newsletter to communicate legislative messages to local librarians. The newsletter is simply an inappropriate medium for catalyzing librarians and lay persons into political action. Since it is clearly identified as published with state and federal funds, any legislator who obtained a copy of the newsletter would have clear reason to object to the use of state funds to lobby for more state funds. Furthermore, the newsletter should not contain any information about the Political Action Committee of the Texas Library Association.

There will be occasions, of course, when systems will publish information about the status of library legislation, including the systems budget request. Publishing information in a descriptive way is not considered to be lobbying; however, if the article concludes with a rally cry for action, then the gap between information provision and overt lobbying will have been bridged.

Communications with members of the legislature are more appropriately handled by the Major Resource Center director using the letterhead of the MRC library or blank white paper. Generally city governments permit their department heads to lobby for favorable state and federal laws and funding; however, system staff should check with the MRC director to determine if he/she is under any municipal constraints which would affect system actions.

To a large extent, legislators are far more interested in hearing from citizens than they are from librarians, who constitute somewhat of a "vested interest group." It is preferable to have the system's legislative messages conveyed by members of the system advisory council and lay representatives, who legislators know are civic-minded citizens who are donating their time to the development of library services in the state.

Policies Affecting the Use of Property

The State Librarian and his staff are very concerned that non-expendable personal property (e.g., equipment, films, etc.) purchased with grant funds is properly maintained. Each system should have on file with the State Library policies for the use of system property by member librarians and by citizens. These policies should cover the loss or damage of property, including such areas as fines, replacement items, and reporting requirements. Items which are stolen must be reported to the police and a copy of the police report must be submitted to the State Library. Under state law, each subgrantee or its designate is pecunilarily liable for the abuse of property.

Additionally, the State Library requires policies for the use of equipment which might temporarily be circulated from the system office. For example, if a system office has a sign-making machine, or button-making machine which is occasionally loaned to a librarian, the system is responsible for the proper use of the machine even when the machine is off the system premises. Systems are

responsible for the messages which are prepared on the machine; the use of these machines must be for library-related purposes, must be in good taste, and must be appropriate for publishing with state and federal funds. The State Library staff has determined that it is permissible for the messages to encourage local library funding, the passage of local bond issues, etc. It is not permissible for the buttons or signs to promote more state funding.

Selling System Services or Products

Occasionally library systems will print or publish brochures, bookbags, or other public relations items which they wish to sell. It is perfectly legal for these items to be sold to the general public, to member librarians, to other systems. Similarly it is also legal for local libraries to sell materials (e.g., buttons, bookbags, etc.) which they received gratis from the system. If the materials are sold by the local libraries to their own patrons, the local libraries may keep the proceeds. If the system directly sells the items to local libraries, to citizens, or to other libraries in the state, the proceeds must be deposited into a system program income account. If the item was originally produced with state funds, then the proceeds would be deposited into a state account. As with all program income, the funds must be expended within the fiscal year it was earned or revert to the State Library as unobligated or unexpended fund balance.

Please note that the State Library, through its contract with each Major Resource Center, must receive a copy of all promotional items and maintains the irrevocable right to reproduce the materials without payment of royalties. Therefore, the State Library could be distributing free of charge the same materials distributed by the system at a charge.

It is also possible for systems to copyright their original works and to collect royalties for the use of their works by others. The same provisions noted above would apply--namely, that the royalties would be deposited into a program income account and the State Library maintains the right to use the materials without the payment of royalties.

In previous years, systems have experimented with charging local libraries for certain system services. For example, one system provided libraries with a certain number of free films during the year. After they exceeded their limit, they were charged for additional use. Charging for system services is perfectly legal and in some cases might be the only way in which you could finance a particular service (e.g., automation projects are usually shared costing efforts). However, you must weigh the probable financial benefits against the implications of a lower level of participation.

Systems have frequently asked if they could charge registration fees for workshop attendance. There is no prohibition against such a charge, although we would note that such charges might discourage attendance by the very target group systems are most attempting to attract.

Another question arising occasionally from systems is whether systems or the local libraries can charge patrons for the use of library materials or equipment purchased with system funds. For this question, you will receive two different answers. In the first case, both library systems and local libraries are prohibited from charging the public for the use of library materials (e.g., videocassettes, books, etc.). The general public may be only assessed for those services which are specifically enumerated in the Rules and Regulations, Rule 1.72. Because deposits or fees for the use of equipment is permitted in this rule, it is possible for either the system or the local library to charge for equipment use. Similarly, it is possible for the system to charge the public for data base reference searching, if the system were sponsoring a Reference Back-Up project. Again, however, we would caution the system to evaluate the financial benefits against the probable negative impact on usage.

Attendance at State Library Meetings

This is a particularly difficult question to answer since there are conflicting policies. While OMB Circular A-87 specifically disallows the use of grant funds for lobbying, it states that travel funds may be used to reimburse individuals' attendance at meetings where public policy may be set. Moreover, travel is not subject to the prior approval of the State Library; rather it is purely a matter for local MRC policy. However, the State Library and Archives Commission has repeatedly stated its preference that system coordinators not be highly visible in Commission, LSA Advisory Board, and LSCA Advisory Council meetings. While the Commission is not intending to suppress public comment or input, the Commission is simply more interested in hearing from the practicing librarian and the citizen. The Commission regards system staff as "staff" in the same manner as they view State Library staff. While staff recommendations in writing prior to the meetings are helpful and considered, the staff's role is basically to support local librarian and citizen efforts by providing them with the information for them to formulate their own independent opinions.

In past years, a few coordinators have traveled to Commission meetings and advisory board meetings in spite of the sentiments expressed above. They usually traveled at personal expense on a day in which they took personal leave from their positions. Their decisions to travel at personal expense was due to the fact that the State Library would not grant prior approval to their travel requests. However, granting approval for such travel is now the responsibility of the MRC director. The State Library only reiterates the views of the Commission members and urges system personnel to work their librarian and citizen representatives as much as possible. In the long run, they will probably find this a more effective means of influencing Commission policy.

Paying Travel Expenses of Lay Representatives and Librarians

When the question has been posed to the State Library whether systems can pay the expenses of lay representatives and librarians to meetings and workshops, the answer has been varied. Generally, the policy responses fall into the following categories.

The State Library has disallowed the payment of expenses for lay representatives to system meetings for a couple of reasons. The Library Systems Act clearly provides for the reimbursement of the necessary and actual travel expenses for system advisory council members. In the same section of the Act, reference is made to lay representatives attending the annual meeting of lay representatives for the purpose of filing council vacancies. It seems to the State Library staff that reimbursing lay representatives to system meetings would not only be very expensive, but is clearly outside the parameters of legislative intent.

By the same token, the State Library has resisted efforts by systems to pay for the travel expenses of librarians and lay representatives to system committee meetings and workshops. This restriction has been based on the restrictions placed in state law limiting travel reimbursement to only employees and members of statutorily authorized councils. In the case of the library system, only system staff and system advisory council members fall into these categories.

In spite of these points, the State Library has, in the past, granted prior approval for travel in a few cases. Lay representatives as well as system advisory council members were reimbursed for numerous conferences orienting system advisory council members. Librarians were reimbursed their travel costs to workshops such as Basic Skills, where the training period was for a relatively lengthy period of time (at least three days). Permission was granted in these cases where it appeared that the training was sufficiently intensive and beneficial to the system goals to warrant the expenditure of system dollars. However, each case was decided on its own merits.

Now under OMB Circular A-102, the State Library does not control the approval of travel requests; rather the policies of the Major Resource Center are the determining factor. However, we would expect that the systems would exercise considerable discretion in the use of travel authorizations for member librarians and lay representatives. Because of the concerns regarding legislative intent mentioned above, the State Library is concerned that unwarranted use of travel expenses could create a problem.

Whenever travel of member librarians, lay representatives, or council members is reimbursed, the State Library recommends that the system reimburse the individual, and not pay the hotel or restaurant directly. There are several rulings by the Attorney General's Office prohibiting the expenditure of state funds for food services or beverages. To avoid any potential auditing problems, each system should institute a vouchering process, in which the non-MRC employees record their expenses and submit a voucher following the trip. However, each system should keep in mind that their travel and travel reimbursement policies must conform to the practices of their MRC municipality.

Expenses of Librarians for Professional Development

There are a number of situations which fall into this category. Examples are the payment of membership fees to professional organizations (e.g., TLA); payment of travel expenses for member librarians or council members to professional association meetings; and payment of travel expenses to support librarians taking professional courses under the auspices of a system Tuition Reimbursement Program.

All three of these examples would not be allowed by policy set by the State Library. The case of payment of membership fees to TLA and other similar organizations would fall under the recent State Auditors opinion which prohibited the use of state funds to promote professional organizations. Similarly, the same State Auditors opinion would prohibit the payment of registration fees or travel expenses to professional meetings.

The third example is a little more fuzzy, since the payment could be construed as necessary for an individual to take a course from a library school accredited by the American Library Association. Under most policies, the system would reimburse the library school tuition after the course was successfully completed by the student. It is the opinion of the State Librarian that the Tuition Reimbursement Program should be limited to tuition reimbursement and that other expenses are the responsibility of the individual.

Professional Services Contracts

Every system should ensure that contracts are let with workshop speakers and other professionals for the services they are rendering the system. While the agreement need not be in full "legalese," it is essential for the protection of the contractor--and the system--that all the requirements and "understandings" be documented fully in writing.

When reimbursing workshop speakers, for example, the system should consider the reimbursement as a professional service, or contractual service, not as travel or per diem. In most accounting systems, you will be charging to the travel account the travel expenses of the system staff or the system advisory council.

Occasionally, if the system requires the services of a member librarian as an expert consultant or as a representative of the system, the possibility of entering into a professional services agreement might be considered. If the expertise or resources of the individual are so needed, consider specifying in writing the service being rendered and the method proposed for providing compensations for the service.

Consulting Services to Other Systems

Occasionally a staff member in one system is asked to provide consulting services or to conduct a workshop in another system. If the staff member is receiving reimbursement for travel and per diem expenses only, then the employing library has the decision of whether to allow the staff member to use work time, or whether to require the individual to take a day or so of vacation. In the case where the staff member additionally will receive a consulting fee, then the employing library almost always requires that vacation time be taken. In either case, the staff member must carefully assess the requirements of the employing library regarding the use of work time to research, plan for, or document the training or consulting project.

Fees and Fines for Material or Equipment Usage

Some systems require that patrons keeping films or equipment out beyond their due date must pay a fine. If the system has such a policy, the revenue must be deposited into a program income account. In addition, the deposit of the funds into a program income account would apply to fines paid both by the patrons of the MRC library and by patrons of member libraries.

If the system does not have a policy regarding fines for overdue films or equipment, then any fines collected by the member libraries or by the MRC would remain in the custody of the libraries. The system would not be entitled to the program income when the system has no such overdue fine policy.

If the system has an overdue fine policy, and the film program is jointly funded by both the MRC with city funds and by the system, then the proceeds from the fines would be prorated between the city and the system. Examples of how this proration might occur may be found on page 21 of the Procedures Manual, Updated for the Uniform Grants and Contract Management Act of 1981. Both the fines from tne MRC patrons as well as from the patrons of member libraries wuld be subject to this proration.

Beverages, Food, and Christmas Cards

While this is an unusual grouping of issues, they have the common characteristic of having been the subject of different Attorney General's opinions. In an opinion, the Attorney General has reaffirmed what is said in A-87 about the unallowability of paying for food and beverage with state or federal funds. An auditor should take exception to any expenditure of system funds for food or beverage service, or for restaurant services. The MRC may reimburse the expenses of staff or the system advisory council based on vouchers or some other means of itemizing costs. However, the shortcut cannot be taken of directly paying for meal expenses, even though only system staff and system advisory council members attended the meal function. Similarly, grant funds cannot be used to pay for coffee and donuts at system meetings.

In a separate opinion, the Attorney General ruled that entities of state government cannot use state funds to distribute Christmas cards. Generally, if you wish to deliver a Christmas or New Year's message to your constituency, you may do so as a paragraph in your newsletter or in a letter containing substantive information about the system. In other words, care must always be taken that the communications from the system office be serious and in good taste.

CHAPTER THREE

System Funding and System Services

This chapter discusses the way in which system services are funded under the Library Systems Act. It also describes the variety of services provided by systems, how they are measured and evaluated, and explores trends in system services. This chapter was prepared by Patricia Smith.

The System Funding Formula

Systems are allocated a specified amount each year in accordance with the formula in the Library Systems Act, Section 17(e), which states that:

> Exclusive of the expenditure of funds for administrative expenses as provided in Section 17(a) of this Act, all funds appropriated pursuant to Section 14 of this Act shall be apportioned among the major resource systems on the following basis:
>
> Twenty-five percent of such funds shall be apportioned equally to the major resource systems and the remaining seventy-five percent shall be apportioned to them on a per capita basis determined by the last decennial census or the most recent official population estimate of the U.S. Department, Bureau of the Census.

Dividing one-fourth of the systems allotment into ten equal parts ensures that smaller systems, situated primarily in West Texas, can operate effective programs. A straight per capita allocation would mean a significant reduction in their operating capital. Yet the effect of the formula is that sparsely populated systems receive a higher per capita grant than do the more densely populated regions. This variability in per capita allocations can be seen in Figure 3.

At various times, librarians have discussed whether to amend the formula to take into account either area (square miles) served by a region or the number of libraries served by the system. No serious effort to amend the law has yet occurred.

Another issue regarding the allocation formula has been discussed in the Legislature and in several Commission hearings -- and assuredly will arise again. The issue is whether the phrase in Section 17(e) "...per capita basis.." means the total population of each system, or just the population of member libraries. Strong arguments exist for both positions, but the current interpretation in Rule 1.96 is "The population base for distribution of 75% of the Library Systems Act funds is defined as the total population residing within the major resource system boundaries."

Figure 3

Distribution of System Funds
SFY 1983

System (MRC)	Grant Amount	Percent of Total System Funding	Per Capita Allocation
Big Country Library System (Abilene)	$239,669	4.8%	$ 0.55
Texas Panhandle Library System (Amarillo)	221,681	4.5	0.60
Central Texas Library System (Austin)	479,856	9.6	0.35
South Texas Library System (Corpus Christi)	462,620	9.3	0.36
Northeast Texas Library System (Dallas)	873,512	17.5	0.31
Texas Trans Pecos Library System (El Paso)	264,259	5.3	0.50
North Texas Library System (Fort Worth)	500,518	10.1	0.35
Houston Area Library System (Houston)	1,156,479	23.2	0.29
West Texas Library System (Lubbock)	302,871	6.1	0.45
San Antonio Area Library System (San Antonio)	478,746	9.6	0.36
TOTAL	$4,980,211	100.0%	0.35*

* Average per capita.

The efforts to change the current interpretation have been led by the Northeast Texas Library System (NETLS). Their position is that as a system gets new members, the amount of funding (or benefit) per library is reduced. This situation, according to NETLS, discourages any efforts to recruit new system members. They would prefer an increase in system funding for each new member.

The prevailing position argues that systems are required to offer consulting and continuing education services to non-member librarians and must file a plan for the development of unserved counties. Because they are required to offer services to more than system libraries, systems should be compensated for these efforts. No disincentive to serving non-members should exist, since members are able to benefit from additional funding accrued from non-member and unserved populations.

"Fair Share"

In a grants-in-aid program, it is very easy to determine if each library is receiving its fair share of the available dollars. Since grants are usually distributed on a per capita basis, correlations can be made between the grant and the library's population.

With systems, the opposite is the case. Fair share questions are, in the first place, inappropriate since the goal is sharing resources for the common good. The reality, though, is that all libraries are interested in whether they are receiving an equitable portion of benefits from system dollars. There have been charges in the past that some MRCs received excessive benefits, while the MRCs countered that their benefits were too low.

A 1981 Texas State Library Study found that the Major Resource Centers were not receiving disproportionately large benefits. The study found that:

1) "Over 85% of the system operation grants go directly to MRCs and system libraries as benefits, and some of the remaining funds go to benefit areas without any library service; thus, Texas libraries can be proud of the fact that the system program has minimized the use of these funds for administrative purposes, enabling the benefits to libraries to be maximized;

2) approximately $377,000 was reported by the MRCs to have been contributed as in-kind or cash purchases of materials for use by system libraries; while some of these contributions of space, utilities, and collection depreciation will be reimbused by the system grant in future years, the generosity and support by MRCs should not be overlooked."

The major finding of the survey was the presence of two factors influencing the allocation of benefits per library.

> The first and strongest factor is population size: since most of the benefits are allocated on a per capita basis, the larger the population, the more benefits received.

> The second factor, which exerts a less but noticeable influence, is the idea of dividing a sum of money equally among all the participants: because these funds are held out of the pool of per capita funds, the smaller participants will receive a larger total per capita than will the larger participants.

The study concludes that "The philosophical basis of the Library Systems Act seems to have been that all public libraries should benefit from state aid, but since smaller areas are probably weaker, they need the benefits a little more than larger areas. Although there is no simple way to determine conclusively whether this has been done, or in fact, how it should be done, the overall pattern of benefit allocation certainly appears to follow this philosophy."

Measures of Effectiveness

The following outputs, or products, of regional library system activities are reported biannually to the Legislative Budget Board and are measured for variance against the targets established in the zero base budget.

- persons viewing films and attending special programs
- materials purchased for public libraries
- student workshop hours
- staff, trustees receiving training
- direct circulations from systems
- persons served by systems
- interlibrary loan requests filled

One indicator of system performance is attendance at showings of 16mm films purchased with system funds. Film viewer count has consistently exceeded State Library and system staff projections since the film programs were established years ago. The steady growth in popularity is due to a number of different factors: adequate and stable budgets; infrequent turnover in film staff positions; quality film purchases; good promotional efforts; and training for local librarians in using film and film equipment.

Without expenditure data by program area, it is impossible to determine the exact unit cost of this or any other system program. Beginning with SFY 1983 grants, new fiscal standards established by H.B. 391 make it possible for program expenditures to be collected. Using system film budgets as a crude means of determining unit cost, it is estimated that the cost for each film viewer statewide is between $0.16 to $0.19. This cost is quite reasonable for a program which is growing at the rate of eight to 14 percent per annum in number of viewers.

Another measure reported to the Legislative Budget Board is the purchase of new library materials. For the past four years, systems have been adding books and other library materials to the collections of system member libraries. For the past four years, system purchases have been 293,893 in 1979; 269,144 in 1980; 218,959 in 1981; and 224,068 in 1982. The slight increase in 1982 was accomplished because system grants jumped from $3.92 million in 1981 to $5.5 million in 1982.

System workshop hours over the past few years have been declining somewhat, with the following trend noted: the highest number of workshop hours occurred in 1979 when 11,507 training hours were delivered. Since then, the number of hours have declined from 9,452 in 1980, 9,877 in 1981, to 9,290 in 1982.

While the training hours have decreased, the number of individuals attending the workshops has increased in the last two years. In 1980, 2,132 librarians and interested citizens attended the workshops; in 1981 and 1982, the numbers slightly increased to 2,203 in 1981 and 2,208 in 1982.

The number of library materials circulated to citizens as a result of deposit, rotating, and extension collections has been erratic. This program captures the circulation statistics from persons using filmstrips, videocassettes, art prints, cassettes, and other non-print and print collections which rotate among libraries or are available at one location for a limited period of time. Examples of the print collections are the Spanish language, large print books, and young adult books which circulate to libraries for a short period for circulation to local residents. The Big Country Library System also loans books owned by the Abilene Public Library to small, poor libraries for extended (e.g., one year) periods.

Circulation from this diverse group of programs has been generally climbing over the past few years, ranging from 237,946 in 1979; 213,760 in 1980; 256,694 in 1981; to 258,625 in 1982. However, we anticipate a sharp decline in 1983 figures due to the elimination or curtailment of many books-by-mail programs to the rurally isolated. When system funding dropped from $5.5 million in 1982 to $4.98 million in 1983, and when federal funding forecasts were so pessimistic in 1983, many systems re-assessed their program priorities. Ranked low in priority was the books-by-mail program to citizens who are not directly represented by the member libraries. Of the figures given above for this LBB measure, books-by-mail circulations represented from one-third to one-half of the volume.

An interesting measure is the number of pieces of publicity distributed to local libraries and citizens. The numbers in 1981 and 1982 jumped significantly from earlier years due to the publicity efforts of the North Texas Library System. Through the system's joint planning efforts with Safeway, several million grocery sacks carried the message "Your Public Library: America's Supermarket for the Mind" to customers. This nationally recognized promotional campaign is being replicated in other locations around the state and country.

The Library Systems Act charges system advisory councils with "evaluating services received." While evaluation is usually based on the opinions given by member librarians, one system attempted to study the cost of services in relation to their benefits. The results of the study commissioned by the Central Texas Library System were used in system long-range planning.

The other measures reported to the LBB are the number of persons served by the systems, which has increased as system membership has increased, and the number of interlibrary loans made by systems. This measure reports on interlibrary loan activity between member libraries, excluding the MRC or its interlibrary loan office. The measure is used by the Northeast Texas Library System as a by-product of its resource sharing project, but the volume has stayed around 1,500 per year.

Figure 4 shows the 1980, 1981, and 1982 statistics collected from the ten systems for the Legislative Budget Board.

Figure 4

STANDARDIZED STATISTICS -SYSTEMS
Actual

MATERIALS ACQUISITION INFORMATION:	1982	1981	1980
1. Number of Books Received	146,556	145,583	182,168
2. Number of 16mm Films Received	1,136	1,280	1,195
3. Number of 8mm Films Received	104	11	68
4. Number of Periodical Subscriptions Received	410	624	441
5. Number of Cassettes Received	3,400	2,706	5,685
6. Number of Art Prints Received	64	58	17
7. Number of Video Tapes Received	1,498	440	263
8. Number of 16mm Films Leased	229	0	25
9. Number of Books Leased Commercially	19,730	20,379	22,244
10. Estimated Pieces of Microform Received	20,348	23,441	13,351
11. Number of Filmstrips Received	4,417	1,991	3,393
12. Other Materials Received	1,890	3,016	21,254
BOOKS-BY-MAIL PROGRAM:			
13. Number of Persons Targeted	155,206	124,208	178,745
14. Number of Catalogs Distributed	29,531	37,712	67,286
15. Number of Materials Circulated	88,446	97,353	108,688
16. Number of Materials Purchased for Circulation to Patrons	22,242	17,549	20,223
FILM SERVICE:			
17. Number of Film Showings (Total)	168,082	154,079	142,854
18. Number of Persons Attending Film Showings (Total)	5,448,755	5,032,717	4,371,634

RESOURCE SHARING	1982	1981	1980
19. Number of 8mm Films Circulated	26	14,491	4,937
20. Number of Books Circulated to Residents from Extension Loan, Rotating, and Circuit Collections	88,318	82,262	81,632
21. Number of Cassettes, Art Prints, Filmstrips, Circulated to Residents	64,660	47,746	12,894
22. Number of Materials Circulated to Residents through Reciprocal Borrowing	17,175	14,842	5,619
23. Number of Reference Referrals Answered	1,657	NA	NA
24. Number of Lateral Interlibrary Loans	1,386	NA	1,404
SPECIAL PROGRAMMING FOR CITIZENS:			
25. Number of Persons Attending Special Programs Sponsored by the System (excluding viewers of 16mm and 8mm films, filmstrips, and videocassettes)	26,462	39,912	38,169
TECHNICAL ASSISTANCE TO LIBRARIANS, TRUSTEES, PUBLIC OFFICIALS AND CITIZENS:			
26. Number of Workshops Held	91	77	84
27. Number of Persons Attending Workshops	2,208	2,203	2,132
28. Number of Student Hours (number of persons attending X number of workshop hours)	9,290	9,877	9,452
29. Number of Persons Attending System/ Business Planning Meetings	2,702	2,274	2,056
30. Number of Persons Receiving Technical Assistance during Personal Consultations	3,784	4,173	3,014
31. Number of Persons Receiving Information by Mail or Telephone	41,213	34,198	37,178
32. Number of Informational and Professional Librarianship Materials Circulated/ Distributed	1,349	1,159	734
33. Number of Pieces of Publicity Distributed	1,092,294	5,053,000	616,246
34. Number of System Newsletters Distributed	22,283	23,304	23,627
35. Number of Other Informational Materials Distributed	22,993	26,025	29,474

Trends in System Services

Once the system receives instructions from the State Library for preparing the annual program of service, the system determines its services through the process set in each system's bylaws. Generally the process includes an annual questionnaire of librarian preferences; committee meetings and discussions at general membership meetings; and review by the system advisory council. Final approval rests with the Major Resource Center, whose governing authority must sign the plan. Generally, the annual program of service as well as the contract are carefully reviewed by representatives of city finance and legal departments. The MRC is empowered to veto any system plan; LSA Rules and Regulations 1.121 and 1.122 identify the process for appealing a decision by the Major Resource Center.

The histograms provided in Figure 5 visually indicate the trends in system services over the past seven years. Certain patterns are becoming quite pronounced.

- **The funds budgeted for collection development are declining.** The first significant drop in system collection development funds occurred as the result of Rule 1.9 "Percentage Limitation on Collection Development." Collection development budgets decreased from 55.6% of the total system grant to 41%. The percentage stayed around 44% until recently when systems began shifting monies from book purchases to automation activities.

Some systems rank collection development programs low in priority. They believe book acquisition is a local responsibility and that system funds are best expended for cooperative, resource sharing efforts. One system determined that local governments "raided" the library's book budget and deliberately substituted system funds for local funds.

- **Systems are committing increasing amounts to automate library functions.** This is the major trend for systems in Texas and nationally. The impact of system automation projects is only beginning to be realized. Impacts will be in the areas of shifting performance measures, heightened frustration at the long-term investments required before any accomplishments are realized, and a serious potential for failure if a project is poorly planned or implemented.

Under H.B. 391, the Uniform Grant and Contract Management Standards for State Agencies, the Texas State Library is exercising overview on automatic data processing expenditures for equipment and professional services.

In some respects, the computerization efforts best epitomize system potential, in that local governments are contributing towards these projects. While assessment of service or membership fees for Texas library systems is politically unfeasible, cost sharing is accepted in the area of library automation.

While the shared costing arrangement is enviable in some respects, it is problematic in others. In the Houston area, for example, ownership of the computerized circulation system's data base and hardware is unclear and would require considerable untangling if the system were to dissolve.

- **Residents in rurally isolated areas, including counties without library service, are victims of the latest cuts in system funding.** System funding dropped from $5.5 million in 1982 to $4.98 million in 1983. In addition to this loss, available dollars for system programming were cut to accommodate indirect cost rates. Rather than the $237,153 systems expected to pay in indirect cost during SFY 1983, systems were suddenly billed for $405,259 in indirect cost. These losses meant that some system programs were cut. In most systems, cuts were made in the books-by-mail programs to the rurally isolated. Systems which retained the program cut the budget and/or restricted the services in an effort to hold down costs.

- **Systems are moving into the new technologies, including cable and videocassettes.** Although budgets for system film programs have been constant for a number of years (usually around 19% of the system grant), we are expecting to see some reduction in film expenditures over the next few years, as systems are moving into the videocassette market. These 1/2" videocassettes satisfy a need entirely different from film, which is aimed at group audiences. The 1/2" videocassettes are for home entertainment, and libraries are circulating them to local citizens much as they would books.

One system is using funds to encourage local experimentation with cable programming. The North Texas Library System is sponsoring in SFY 1983, the production of television programs for cable broadcast.

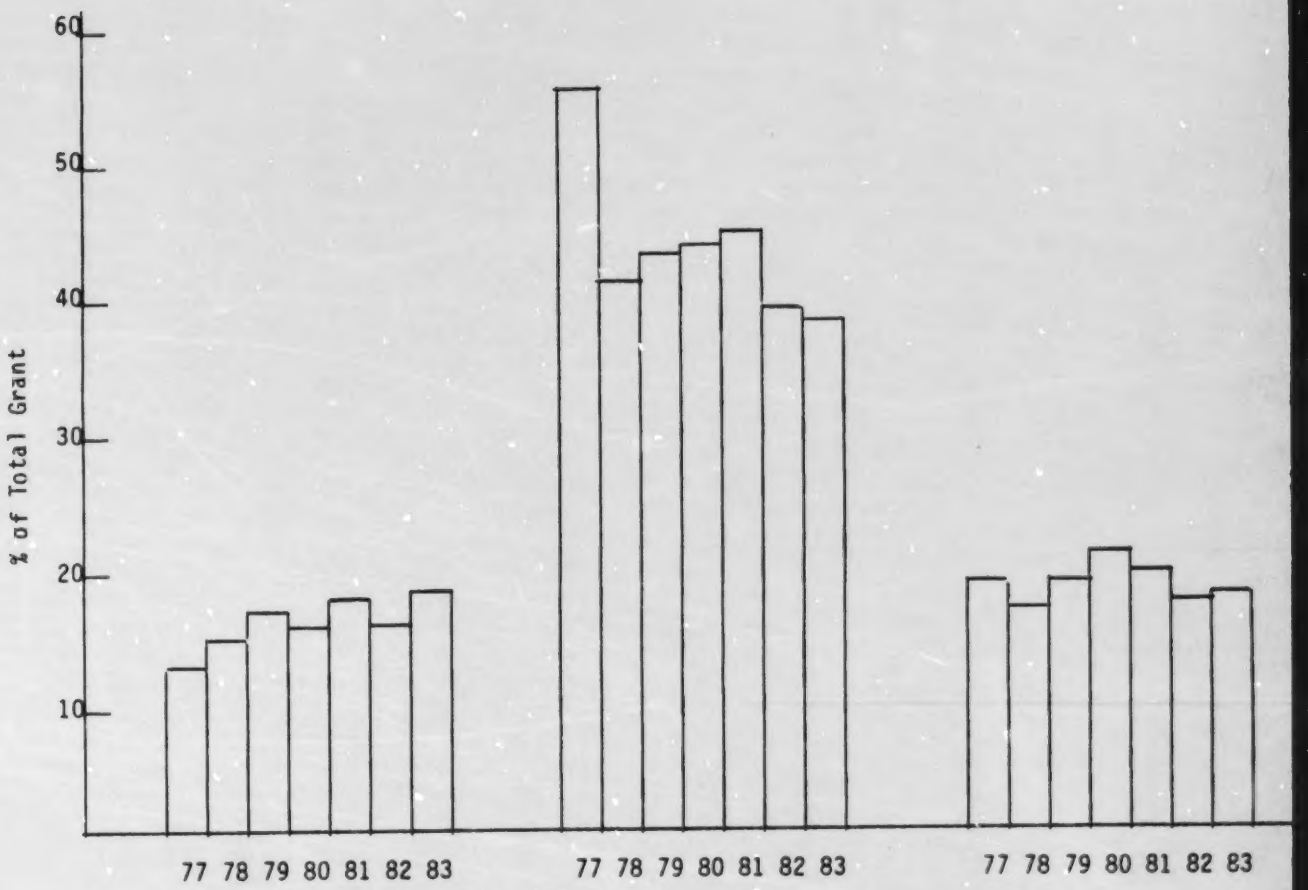
- **System budgets for public relations and for consulting, continuing education, and administration have been relatively constant for several years.** It is interesting to observe from the histogram that the percentages of system funds for both these programs have been relatively constant. Particularly satisfying is the fact that systems have tried to cap administrative expenditures and have held staffing levels relatively low.

- **System indirect cost reimbursement has increased to over eight percent of the grant on the average.** The implementation of H.B. 391 resulted in MRC's receiving full indirect cost at their local rate. The highest indirect cost paid to an MRC in SFY 1983 was $140,763, representing 19.21 percent of direct charges. Three MRC's, including Houston, did not have indirect cost plans in effect for SFY 1983 but are working on developing SFY 1984 plans. Since indirect cost to these three cities was quite low (as based on the Indirect Cost Computation Table established by the Governor's Office for cities without plans), it is expected that indirect cost will increase considerably in SFY 1984. The rates for Corpus Christi, Dallas, and Fort Worth are already known to be increasing next year. A listing of the SFY 1983 indirect cost rates is provided in Figure 6.

Figure 5

Distribution of System Funds by Program Area: SFY 1977-1983

ALL SYSTEMS



	Consulting, CE Administration	Collection Development	Film Programs
SFY 1977	13.5 %	55.6 %	20.5 %
SFY 1978	14.2	41.0	19.3
SFY 1979	16.0	43.6	20.5
SFY 1980	15.0	44.0	21.2
SFY 1981	16.4	44.4	20.8
SFY 1982	15.1	38.4	19.4
SFY 1983	16.7	36.2	19.7

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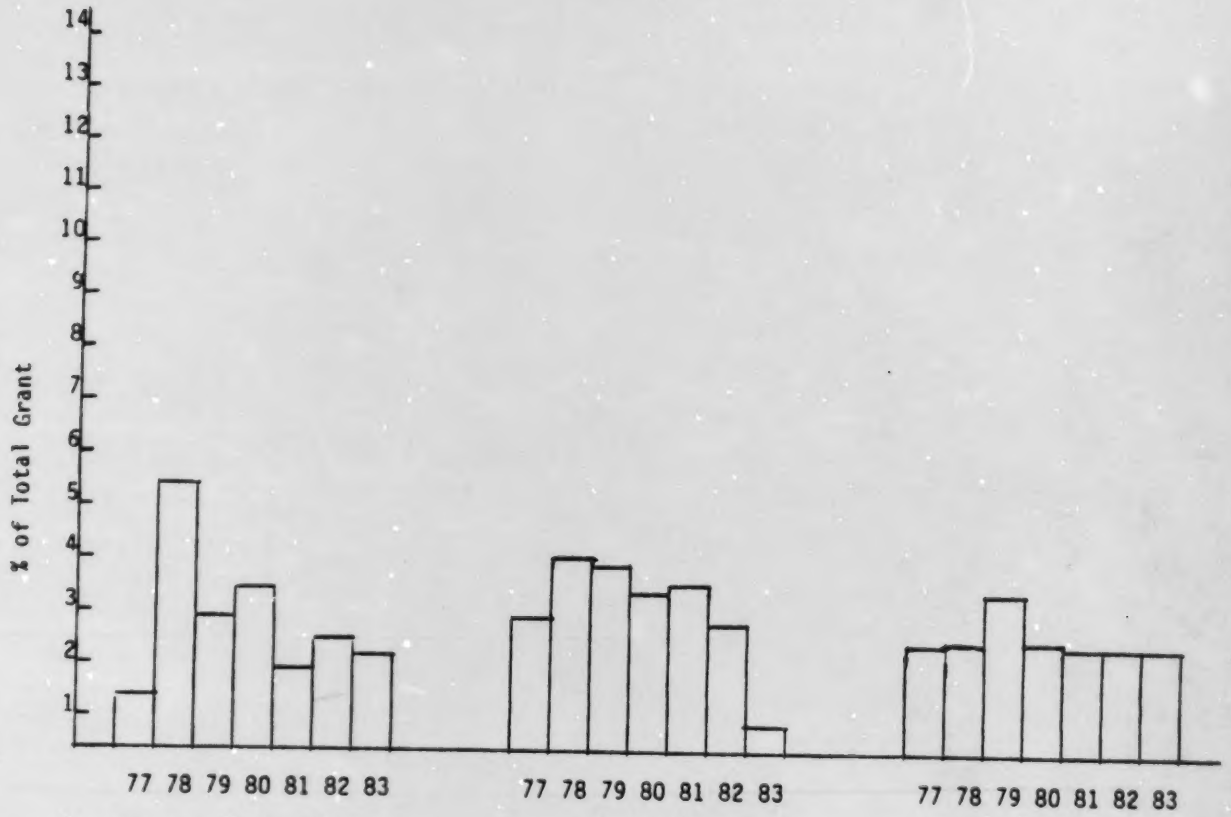
Distribution of System Funds by Program Area: SFY 1977-1983

Continued



	Rotating, Deposit, Extension Services	Unserved Area (Books-by-Mail)	Publicity and PR
SFY 1977	1.5 %	3.2 %	2.3 %
SFY 1978	5.4	4.3	2.4
SFY 1979	3.2	4.1	3.5
SFY 1980	3.7	3.6	2.5
SFY 1981	1.9	3.8	2.3
SFY 1982	2.5	3.0	2.3
SFY 1983	2.1	0.9	2.3

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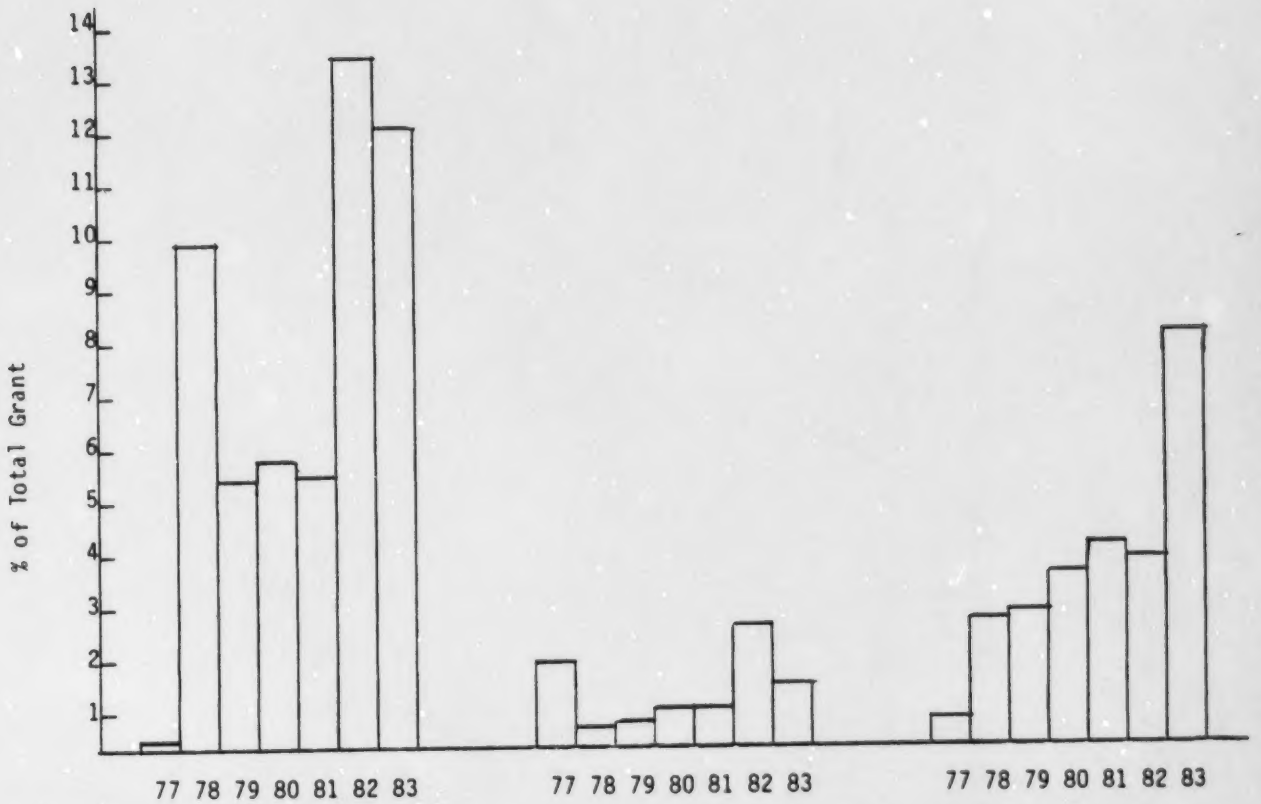
Distribution of System Funds by Program Area: SFY 1977-1983

Continued



	Automation	Other Programs	Indirect Costs
SFY 1977	0.3 %	2.1 %	1.0 %
SFY 1978	9.8	0.8	2.8
SFY 1979	5.3	0.9	2.9
SFY 1980	5.6	1.2	3.2
SFY 1981	5.4	1.2	3.8
SFY 1982	13.1	2.7	3.5
SFY 1983	12.1	1.8	8.2

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Figure 6

SFY 1983 SYSTEM OPERATION GRANTS: DIRECT AND INDIRECT COSTS

City	Direct Costs	Indirect Cost (Percentage of Total Grant)	Indirect Cost Rate	Total
Abilene	$ 235,094	$ 4,575 (1.9)	Negotiated lump sum[1]	$ 239,669
Amarillo	195,485	26,196 (11.8)	34.198% of salaries	221,681
Austin	421,564	58,292 (12.2)	49% of salaries	479,856
Corpus Christi	401,684	60,936 (13.2)	15.17% of direct charges	462,620
Dallas	732,749	140,763 (16.1)	19.21% of direct charges	873,512
El Paso	259,584	4,675 (1.8)	Negotiated lump sum[1]	264,259
Fort Worth	431,802	88,716 (13.7)	64.35% of direct salaries[2]	500,518
Houston	1,146,866	9,613 (1.0)	Negotiated lump sum[1]	1,156,479
Lubbock	277,787	25,084 (8.3)	9.03% of direct charges	302,871
San Antonio	472,337	6,409 (1.3)	7.02% of direct salaries	478,746
Totals	$ 4,574,952	$ 405,259		$4,980,211

Total indirect costs in FFY 1983	$405,259
Indirect Cost Rate (average)	8.14% of total contract amount
Indirect Cost based on 5% of direct charges (policy prior to H.B. 391 implementation)	$237,153
Difference between new and old indirect cost amounts, now payable to MRC's.	$168,106

[1] Abilene, Houston, and El Paso do not have indirect cost plans; therefore, we are using a table proposed by the Governor's Office in the June 25, 1982 Texas Register. Houston and El Paso are currently preparing plans which may be approved this fiscal year. We would assume that these rates would be substantially higher than the negotiated lump sum amounts.

[2] Fort Worth has unofficially notified us that their FY1983 indirect cost rate will increase to 75.53% of salaries. This increase has not yet been formalized through a contract amendment; however, an amendment may be forthcoming later this year.

CHAPTER FOUR

The Administration of Systems

This section of the Orientation Manual, written by Jim Scheppke, will cover some basic aspects of the administration of systems. It must be stated at the outset that many aspects of system administration will vary greatly between one system and another due to the differences in administrative practices in the municipalities which host the systems. However, some general principles, practices, and pitfalls can be stated which apply to all of the systems to a greater or lesser degree.

The general topics which will be covered in this section are:

- *the financial management of Systems*
- *the performance management of Systems*
- *planning for System services*
- *other administrative areas*

I. Financial Management

Financial management of systems is a complex and difficult area which can be the source of many problems. What makes financial management of systems most difficult is the fact that many different persons and departments in the municipal organization have involvement in this area, many of whom are not directly accountable to the coordinator or MRC Director. And yet, problems arising from this unavoidable situation can be compounded if the coordinator and other system staff fail to have a clear understanding of the roles and responsibilities of these varied individuals in the municipal organization, of the basic principles and procedures which apply to financial administration, and of the difficulties which may await system staff if they fail to anticipate common problems in financial management.

Roles and Responsibilities

It is crucial to problem-free financial management of systems to understand the roles and responsibilities of everyone having involvement with the system grant. These roles will vary from one municipality to another, but some generalizations will apply in most of the MRC's.

Role of the coordinator: The role of the coordinator in the financial management of systems is probably more important than that of any other "player" in the game. This is so for the fact that the coordinator is the only person in a position to view the grant program in its entirety--to know what is going on with all of the other players and to make sure that everything fits together properly. In this sense, the coordinator's job of coordination applies as much to this area of his or her responsibilities as to any other. The coordinator must coordinate the financial management of the system if problems are to be avoided.

Here are some ways in which this coordination by the coordinator typically manifests itself:

1. The coordinator must interpret the procedures set by the Texas State Library for the administration of system grants to those on the local level having a role in this regard. For this reason the coordinator must be deeply familiar with the Procedures Manual: Guide to Uniform Grant and Contract Management Standards published by TSL. Anything that is not clear in the manual should be discussed with the TSL Grants Administrator until it is made clear.

2. The coordinator must make sure that all of the responsibilities for managing the system grant are being handled by the appropriate persons and that these responsibilities are being performed adequately.

3. The coordinator must make sure that the proper accounting, tracking, record-keeping, and reporting systems are in place to adequately manage the system grant. Oftentimes these may be found to be inadequate, particularly in the city central services departments (purchasing, accounting, etc.). This may mean setting up supplemental, or even duplicate, procedures in the library business office or in the system office itself.

4. The coordinator must oversee the paperwork flow (requisitions, purchase orders, invoices, bid documents, etc.) and must be prepared to address problems, such as logjams, which may arise. The coordinator must have a knowledge of how to expedite the financial paperwork if need be.

5. The coordinator must know how to read and interpret whatever financial reports might be available to him or her. The coordinator must know how to spot problems--when a contract amendment will be needed, for example--and how to initiate action to solve problems.

6. The coordinator may need to serve as liaison between TSL and others at the local level. In addition, the coordinator might even be called upon to serve as liaison between various "players" at the local level.

7. The coordinator may need to act as a "traffic cop" in initiating actions, and, just as importantly, in holding up actions which might be inadvisable (for example, equipment purchases in the last weeks of the fiscal year that are subject to competitive bid).

Most of these responsibilities may be completely foreign to the new coordinator. And yet there is no way to avoid the task of immersing oneself in the details of financial administration. To fail to do so will almost surely result in having to deal with more difficult matters sooner or later.

Role of the MRC Director: The major role of the MRC Director (or his or her designate) has historically been that of "fire-fighter" or "trouble shooter." Problem situations which are beyond the ability of the coordinator or business manager to cope with may need to be referred to this higher level of administration in order to muster sufficient leverage on the problem. The coordinator must know when it is appropriate to seek the advice and/or consent of the MRC Director.

Role of the Business Manager: The Business Manager is the person, either on the MRC library staff, or on the system staff, responsible for the day-to-day business activities of the system. These would include generation of requisitions, approval of invoices for payment, monitoring expense accounts, and providing day-to-day liaison with city central services departments. The business manager works closely with the coordinator to insure that adequate financial management systems are in place, and consults with the coordinator when problems arise. In some smaller systems this function may have to be handled, in part, by the coordinator and/or by office clerical staff.

Role of the City Grants Administrator: This is the person (sometimes called the Grants Accountant) in the city organization directly responsible for the day-to-day financial management of some or all of the grants coming to the city. Specific responsibilities may include overseeing the application of city accounting procedures to the system grant, providing financial reports to the business manager and coordinator, making Requests for Funds to TSL as well as producing quarterly Financial Status Reports on the system grants. This person will also oversee the final audit of the system grant by the outside audit firm. The coordinator and business manager need to have a close working relationship with the Grants Administrator assigned to the system grant. The division of responsibilities between the Grants Administrator and his or her staff and the coordinator and his or her staff needs to be well defined. Lines of communication between system staff and the Grants Administrator need to be open and readily utilized.

Role of Other Central Services Personnel: Aside from the Grants Administrator, who should be the primary contact person for system staff at City Hall, there are other important persons whom the coordinator and business manager will have frequent dealings with. The **Purchasing Agent** will be involved in all requisitions coming from the system. The Purchasing Agent's role is especially important when products or services require competitive bids. The **Chief Accountant** will normally supervise the Grants Administrator and may become involved in non-routine issues involving system accounts. The city **Financial Officer** (usually the Director of Finance, or similar title) is designated in the system contract as having ultimate responsibility for the proper financial administration of the grant and must sign all Requests for Funds and Financial Status Reports.

Key Principles of Financial Management of System Grants

The key principles of the financial management of systems stem from two basic documents, the first being the Procedures Manual: Guide to Uniform Grant and Contract Management Standards, and the second being the individual grant contract for each system. System staff having responsibilities in the area of financial administration should have a deep familiarity and clear understanding of both of these documents.

The Uniform Grant and Contract Management Act of 1981 (also known as H.B. 391) adopted the federal grant management standards presently contained in federal circulars A-87 and A-102. System grant contracts are now written in accordance with these standards. All of the requirements for proper financial administration of system grants are referred to in the contract. The most important of these are:

1. The system agrees to abide by the Uniform Grant and Contract Management Act.

2. The system agrees to expend funds only in accordance with approved annual program of service and budget.

3. The system agrees not to encumber funds after the last day of the system fiscal year.

4. The system agrees to liquidate all financial obligations in a given fiscal year within 90 days after the end of the year (i.e., by November 30).

5. The system agrees to audit the grant funds and to submit the audit within 180 days following the end of the local municipal fiscal year.

6. The system agrees to secure written approval for the purchase of items requiring prior approval from TSL.

7. The system agrees to submit five Financial Status Reports by the following dates: December 6, March 6, June 6, September 6, and December 31 following the end of the fiscal year.

8. The system acknowledges that failure to comply with the terms of the contract can result in the suspension of the current year contracts or contracts in any subsequent year.

These provisions of the system's contract form the key principles for the financial administration of systems. They are elaborated and expanded upon in the Procedures Manual. For example, the second principle listed above states that systems are to expend funds only in accordance with the approved program of service. The Procedures Manual elaborates on this by distinguishing between allowable costs, unallowable costs, prior approval costs, and indirect costs in the program of service. It discusses how costs must be allocated to projects in the annual program and how, consequently, financial management procedures must relate expenditures to projects. Perhaps most importantly, in this regard, the Procedures Manual speaks to amending the annual program of service, including making changes in the scope or objectives of a project, and transferring funds among projects and/or expense categories in an annual plan.

Again, a deep understanding of the provisions of the system contract and of the Procedures Manual, which interprets and expands upon the contract provisions, is crucial to the avoidance of problems in the financial administration of systems. To fail to understand and abide by the key principles contained in these documents can result in audit exceptions and possible suspension of the system grant, causing grave damage to the fulfillment of system objectives.

Common Problems in the Financial Management of Systems

The five most common problems encountered in recent years by system staff in the area of financial management of system grants are as follows:

1. **Failure to assign responsibility for all aspects of financial management to the appropriate individual in the organization.** Oftentimes responsibilities have "fallen through the cracks" for one reason or another with the result that key responsibilities go unassigned or end up having to be assumed by an inappropriate individual. System coordinators in particular should not have to post ledgers and write Financial Status Reports. Getting the appropriate city general services staff to adhere to their responsibilities (e.g., for providing timely and accurate expenditure and encumbrance reports) has been a particular problem in recent years.

2. **Failure to insure that adequate accounting and reporting systems are in place and being adhered to.** This problem is closely related to the first one. For system staff to "make do" with inadequacies in this regard can lead to far greater problems such as audit exceptions or grant suspension at a later date. Problems in accounting practices and procedures must be pursued relentlessly if serious consequences are to be avoided. Adequate reporting to system staff is an absolute necessity if sound decisions are to be made with regard to budget transfers and end-of-year expenditures.

3. **Failure of the Coordinator and/or Business Manager to insure that required documents and reports (e.g., Requests for Funds, Financial Status Reports, Audit) are completed and submitted to TSL.** System staff needs to "watchdog" the appropriate persons assigned these responsibilities, offering reminders and assistance if necessary to make sure deadlines are met. Since grant suspension can result, in some cases, from failure to do so, it is crucial that system staff be just as aware of deadlines as those having direct responsibility for submitting these documents, and that system staff make it their responsibility to see that these documents are submitted in a timely manner.

4. **Failure of the Coordinator to recognize when an amendment to the annual program of service needs to be pursued.** Perhaps the most important section of the Procedures Manual is the chapter covering "Budget Revision Procedures." This is a complicated and confusing subject but one which must be mastered. Problems in this area may be related to the problem noted above of failure to receive adequate information in the form of accurate and timely expenditure and encumbrance reports. Since audit exceptions and refunds of unauthorized expenditures may result from failure to secure amendments to the annual program of service, any lack of understanding concerning these procedures, or any deficiencies in financial reporting, must be alleviated if serious problems are to be avoided.

5. **Failure of the Coordinator to recognize and plan for the constraints imposed by the need to obligate funds by the last day of the fiscal year.** Coordinators must be aware of all constraints imposed by TSL and by local purchasing procedures, in expending funds at the end of the year, and not attempt to make last minute purchases for which there is insufficient time. This is particularly true of expenditures requiring prior approval. Appendix B of the Procedures Manual discusses prior approval procedures and gives a turnaround time schedule for prior approval requests to TSL. For end-of-the-year purchases of prior approval items, it is a good idea to construct a reasonable timeline for the purchase to make sure it is feasible to undertake within the time allowed.

A common thread running through all of these problem areas is the responsibility of system staff, and the coordinator in particular, to attend to the financial management of the system grant. This is a difficult responsibility and one for which most coordinators will have had little, if any, training or experience. And yet it is a responsibility which cannot be ignored. Problems will almost inevitably arise which will be of the most serious nature. The important work of the system cannot be done unless the financial management of the system is proceeding smoothly, and it is most often up to the coordinator to make sure this is the case.

II. Performance Management

While the proper financial management of the system grant tends to be a topic of major concern, and an area in which much time and effort must be spent to head off problems, it is important to remember that these efforts are not an end-in-themselves. Sound financial management is only a means to achieving the performance objectives which the system sets for itself. And it is not the only means. Successful implementation of system plans demands many practices and skills which might be combined together under the generic heading of Performance Management. By this term we refer to the management practices used to achieve system objectives and to evaluate the results of the system's efforts. To achieve success in the system program, it is important to understand what persons have responsibilities in this area, what basic principles and practices apply, and what problems are frequently encountered in managing system performance.

Responsibilities in Performance Management

The responsibilities for managing system performance will vary from system to system; however, the following roles will apply in most systems:

Coordinator: The coordinator's job involves delegating responsibility for achieving system objectives to project managers (described below). Project managers are determined in the process of formulating the Annual Plan of Service. The coordinator may herself be a project manager for one or more system projects. Once project managers are determined, the coordinator must make sure that the manager's quantitative and qualitative objectives for the year are clear and that guidance is given as to how to achieve them. The coordinator should then receive periodic (preferably monthly) reports as to the progress being made in meeting the project objectives. The coordinator combines this information from the project managers to make statistical and narrative reports to TSL. Problems which become apparent in efforts to meet objectives should be dealt with by the coordinator. Aside from assisting project managers in seeing that annual objectives are met, the most important task of the coordinator is to evaluate project results by assessing their impact as compared to their cost. This analysis should be included in narrative evaluation reports to TSL. More importantly, it should be <u>used</u> by planners within the system to determine programs and objectives for future years.

MRC Director: The MRC Director's role in performance management is similar to his or her role in the area of financial management, that is, as a problem-solver in addressing special difficulties arising in the course of implementing system projects. In addition, the MRC Director can serve as an

analyst of system performance, along with the coordinator, offering perhaps a different perspective from the coordinator on the value, balanced against cost, of the system activities. Again, this perspective should be injected into the planning process which will determine the system program in future years.

Project Manager: By project manager we refer to the person(s) on the system staff assigned direct responsibility for meeting system objectives. This person could be the coordinator, other professional staff hired by the system, or MRC staff in the case of a jointly-funded project (e.g., film service). The project manager must be aware of the objectives set for his or her project, and must strive to meet those objectives according to the strategies stated in the Annual Program of Service. The project manager should make periodic formal and informal reports to the coordinator on the project's progress. In addition, the project manager should be prepared to assist the coordinator in analyzing the project's impact relative to its cost.

System Librarians, Advisory Council, and Lay Representatives: These persons serve a less formal but still crucial role in the area of Performance Management, in that they provide essential feedback necessary to adequately analyze system performance. Librarians provide monthly statistical reports relating to system projects; they also provide verbal feedback as to the value of various system projects. The advisory council and lay representatives, as the ultimate beneficiaries of system services, provide an equally important perspective on the value of system projects.

Key Principles of Performance Management

Just as the system contract forms the basis for the financial management of Systems, the Annual Plan of Service provides a similar basis for the performance management of systems. The Annual Plan, in essence, determines the following:

- The quantitative and qualitative objectives set by the system.
- The strategies which will be used to meet the objectives.
- The costs which will be incurred in meeting the objectives.

In following the Annual Plan, the coordinator and project managers must strive to meet project objectives according to the strategies indicated and within the budgets set up for each project in the Plan. The following practices and key principles will apply to this endeavor:

1. Every system project should be assigned to a project manager who is directly responsible for fulfillment of project objectives.
2. The responsibilities of the project manager should be made absolutely clear in terms of what the project objectives are, and what strategies have been determined to fulfill the objectives.
3. Project managers should receive their assignments several months in advance of the start of the system fiscal year and should begin to plan to implement the strategies which have been determined. By the start of the fiscal year, implementation plans should have achieved a high level of detail due to the efforts of the project manager. Timelines should be in place which break implementation plans down into specific tasks to be achieved in order to meet project objectives.

4. The project manager should provide regular formal or informal reports as to the status of the detailed implementation plans--whether tasks are being accomplished on schedule and on budget. These reports would be in addition to formal reports (usually monthly) on progress towards meeting quantitative and qualitative objectives.

5. Serious problems which arise in project implementation should be referred to the coordinator. Their resolution may require a revision of implementation strategies outlined in the Annual Plan. Such a revision, if major, will require that the coordinator follow one or more of the Budget Revision Procedures described in Chapter IX of the Procedures Manual. All of these procedures require the concurrence of the advisory council and TSL.

6. Throughout the fiscal year, as the coordinator accumulates data about the project's performance and cost, he or she should strive to analyze the project in a variety of ways:

   - What is the impact of this project?

   - Do performance statistics indicate an increasing or decreasing impact?

   - What is the cost of the project per unit of service?

   - Is the unit cost increasing or decreasing?

   - What changes in strategy could achieve a greater impact and/or lower unit cost?

   Six months into the fiscal year, a preliminary analysis should be completed for planning purposes and for inclusion in the coordinator's Narrative Report to TSL. By the end of the year, a final analysis should have been made, and should be included in the final Narrative Report.

By following these practices and principles, system staff can insure that projects fulfill their objectives in most cases. When projects fail to meet their objectives, or do so at excessive cost, these problems can be addressed, in the current fiscal, or in subsequent fiscal years.

Common Problems in Performance Management

The following problems can occur in the performance management of systems causing system projects to fail to meet objectives:

1. **A project manager is not assigned to a planned project.** This may result in poor or nonexistent implementation planning and haphazard implementation. Because responsibility is not assigned, there is diminished incentive to realize objectives, since there is no one to take credit or blame.

2. **Project objectives and strategies are not made clear to the project manager.** This will also result in poor implementation planning. Strategies may be pursued which are contrary to the Plan of Service.

3. **Implementation planning does not take place or is inadequate.** If a project is not clearly thought out and scheduled prior to the start of the fiscal year, it will be difficult for the project to achieve its objectives.

4. **As the project is implemented, changes in strategy are undertaken without regard for whether a budget revision procedure is necessary.** The result is a deviation from system plans without the concurrence of the advisory council or TSL. Audit exceptions and refunds to TSL may result.

5. **Adequate analysis of project performance by the coordinator does not take place.** This may be due to a lack of concern for meeting project objectives, a lack of analytical skills, a lack of time to conduct adequate analysis, or for other reasons. Oftentimes the coordinator will analyze project impact but will fail to relate this to project cost, resulting in inadequate analysis. The result will be an inability to determine the degree of success which the project achieved.

In discussing these common problems in the performance management of systems, it becomes clear that poor performance management practices will result not only in the system failing to meet its objectives according to approved strategies and within the project budget, it might also mean that poor performance is perpetuated, since adequate performance data may not be generated, neither will adequate analysis occur. In this way, poor performance management is very likely to lead to poor planning, since planners will have little upon which to base their planning efforts.

III. Planning For System Services

There can be little doubt that planning has become a more important activity for systems in recent years, and one that now demands more time and effort, particularly from the coordinator. A number of factors have resulted in the need to expend more energy in planning efforts:

- System budgets have experienced a steady increase in recent years resulting in the need to consider new system services.

- The Commission has accepted recommendations to request dramatic increases in system appropriations, causing systems to have to plan for large increases in funding.

- The Uniform Grant and Contract Administration Standards, while reducing planning and budgeting requirements in some areas, have, on balance, required that more detailed planning take place, particularly in the area of determining costs for proposed system projects.

- The growing diversity of system programs has made it necessary for systems' biennial budget proposals to be a highly accurate reflection of system activities in the long term. When system programs were more similar, a built-in "fudge factor" existed whereby one system's shortfall in meeting objectives would be offset by another system's exceeding their objectives for the same program. As systems pursue differing programs and services, this becomes less and less the case.

The upshot of all these developments is that planning for system services has become nearly a year-round activity. No longer can planning activities be accomplished in the final weeks or months before budget plans are due at TSL. system staff, and coordinators in particular, are having to make the adjustment to this new environment in which planning becomes a highly important and demanding activity. Other demands on the coordinator's time, in the areas of consulting or continuing education, for example, are having to take a back seat to the many tasks involved in planning for system services in future years.

In discussing planning for system services, it is important to understand the roles and responsibilities of persons engaged in the planning process. Beyond this, it is important to have a grasp of the planning cycle which applies to systems at the present time. Finally, it is important to recognize some common problems that have occurred in the planning efforts of systems.

Roles and Responsibilities in Planning

Planning for system services is an activity which, ideally, will demand participation of every librarian, and every lay person involved with the system, in one way or another. Of all the system activities, it is probably unique in this regard. There are many variations in planning roles and responsibilities in systems, but the following descriptions would hold true for most systems:

Coordinator: The job title "coordinator" is as apt in this area of planning as it is for other aspects of this person's role. The coordinator, first and foremost, must coordinate the planning efforts of the system by setting up a planning timeline, assigning responsibilities, scheduling committee meetings, disseminating his or her analysis of the current system services along with other relevant information, and so forth. Second in importance is the coordinator's role in casting the results of planning activities into an actual budget proposal document which is submitted to the advisory council and ultimately to TSL. A third major role, which is unstated and informal, but which, nonetheless, is found in most systems, is that of "creative thinker." By this we mean that oftentimes the coordinator must come up with creative ideas for new system services, or for modifying old ones, and inject these ideas into the planning process. Finally, the coordinator serves as the link between system planners and TSL in interpreting guidelines and other planning requirements to planners and in consulting with TSL about planning problems and issues.

MRC Director: The MRC Director (or his or her designate) is an active participant in the planning process, providing input as to what system services would most benefit the MRC library, as well as providing his or her perspective on which services would most benefit the libraries in the region. The MRC Director may be particularly aware of constraints on the system program which may originate from the need to work within the organization of the MRC city.

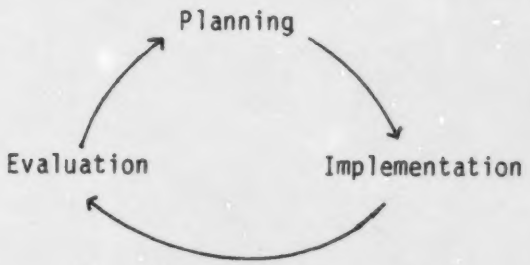
Project Managers: Persons on the system staff responsible for managing individual projects of the system will be involved with planning in any number of ways. They may contribute their assessment of the direction in which their project should go. They may meet with committees organized to analyze and plan for their particular project. They may be called upon to critique ideas for future services and to provide an assessment as to their impact system-wide. As "hands-on" managers of system services, the advice of the project managers will be invaluable in determining future directions for the system.

Planning Committees: These may be organized by sub-region, by program area (e.g., Audiovisual Services, Collection Development, Automation, etc.), or may consist simply of one Planning Committee for the system. Ideally, these committees will include librarians, lay representatives, and Advisory Council members. No matter how they are constituted, the purpose of these committees is to assess the needs of the region for system services, to evaluate the current services in meeting those needs, and to consider new ideas for system services which address current or projected needs. The committees' work will be greatly assisted by the information provided to them by the system staff (e.g., results of questionnaires, program statistics, program analysis). Recommendations coming out of committees should reflect a consensus of opinion in the system, such that these recommendations can be translated into a draft plan to be put before the advisory council.

Advisory Council: Chapter C., Section 10g of the Library Systems Act describes the responsibility of advisory councils to "advise in the formulation of the annual plan for service to be offered by the system." In practice, this provision of State law has been embodied in a formal review process, whereby advisory councils approve or reject plans drafted by system staff in an open meeting of the system membership. Councils may hear arguments for or against various components of the draft plan. Occasionally, a plan may be amended in the course of the advisory council meeting. Ideally, the individual advisory council members will have had enough involvement in the planning process to be able to weigh the relative merits of the draft plan when called upon to do so.

The Planning Cycle and Systems

In the new environment which demands that greater emphasis be placed on planning for system services, system planners would do well to think of planning as, more or less, a continuous activity. The idea of a planning cycle embodies this notion. In its most generalized form, the planning cycle involves three steps:



Until recently, that is, before the factors mentioned above forced systems to become better planners, the implementation phase of the planning cycle received by far the greatest amount of effort, with planning, and evaluation in particular, receiving considerably less effort. The new environment demands a greater balance be struck among the three, such that evaluation and planning become activities which are seen to be more on a par with the actual provision of system services.

The obvious problem with this approach is that demands on the time of system staff, whose primary responsibility must be the provision of system services, are already great. A solution to this problem lies in ever greater involvement by librarians, lay representatives, and advisory council members in the evaluation and planning for system services.

A Planning Timeline for Systems

Going beyond the theory of the planning cycle, it is possible to construct an idealized planning timeline for systems which speaks to the evaluation and planning phases of the planning cycle. The timeline will differ in alternate years for the fact that in even numbered state fiscal years, a Zero Base Budget (also called the Biennial Budget) needs to be formulated in addition to an Annual Plan of Service for the upcoming year. Figure 7 provides this suggested planning timeline for systems to follow in evaluating and planning for system services.

Figure 7

Suggested Planning Timeline for Systems

A. For even numbered fiscal years:

	Date	Activity	Persons Involved
1.	September 1	Questionnaires mailed to librarians and lay persons to gather opinion on the value of current system services and on the value of potential system services which might be offered during the upcoming biennium	MRC Director Coordinator System Librarians Advisory Council Lay Representatives
2.	September 30	Evaluation of prior fiscal year completed and mailed to librarians, advisory council, and lay representatives	Coordinator System Librarians Advisory Council Lay Representatives
3.	October 1	Questionnaires due back to system office	System Librarians Advisory Council Lay Representatives
4.	October 15	Questionnaire results compiled, summarized, and mailed to librarians, advisory council, and lay representatives	Coordinator System Librarians Advisory Council Lay Representatives
5.	October 31	Guidelines for Annual Plan of Service for upcoming year received by system, as well as guidelines for Zero Base Budget for upcoming biennium	TSL Staff Coordinator
6.	November 1	Planning committee meetings begin (geographic committees, program area committees, and/or system-wide planning committee)	MRC Director Coordinator System Librarians Advisory Council Lay Representatives

7.	December 1	Broad outlines of Annual Plan and Zero Base Budget arrived at in a consensus of MRC staff and planning committee members. Coordinator instructed to draft detailed Annual Plan and Zero Base Budget reflecting this consensus	MRC Director Coordinator System Librarians Advisory Council Lay Representatives
8.	January 15	Detailed Annual Plan and Zero Base Budget completed and submitted to advisory council for approval	MRC Director Coordinator System Librarians Advisory Council Lay Representatives
9.	February 1	Annual Plan and Zero Base Budget due at TSL	MRC City Officials MRC Director Coordinator
10.	February - March	TSL staff consults with system/MRC staff on Zero Base Budget	TSL Staff Coordinator MRC Director
11.	April 30	TSL Biennial Budget Proposal approved by Commission and submitted to Legislative Budget Board	TSL Staff Commission LBB Staff
12.	May - June	TSL staff consults with system/MRC staff on Annual Plan of Service	TSL Staff Coordinator MRC Director
13.	July 1	Commission approves Annual Plan of Service	TSL Staff Commission
14.	July 31	TSL mails contract(s) to MRC based on approved Annual Plan of Service	TSL Staff
15.	August 31	Contract executed by MRC and returned to TSL	MRC City Officials MRC Director Coordinator

B. For odd numbered fiscal years:

	Date	Activity	Persons Involved
1.	September 1	Evaluation of prior fiscal year completed and mailed to librarians, advisory council, and lay representatives	Coordinator System Librarians Advisory Council Lay Representatives
2.	October 1	Questionnaires mailed to librarians and lay persons to gather opinion on the value of current system services and on the value of potential system services which might be initiated three years hence (Optional)	MRC Director Coordinator System Librarians Advisory Council Lay Representatives

3.	November 1	Questionnaires due back to system office (Optional)	System Librarians Advisory Council Lay Representatives
4.	November 30	Questionnaire results compiled, summarized, and mailed to librarians, advisory council, and lay representatives (Optional)	Coordinator System Librarians Advisory Council Lay Representatives
5.	January 1	Guidelines for Annual Plan of Service for upcoming year received by system, as well as guidelines for System Long Range Plan	TSL Staff Coordinator
6.	January 1	Planning committee meetings begin (geographic committees, program area committees, and/or system-wide planning committee)	MRC Director Coordinator System Librarians Advisory Council Lay Representatives
7.	March 1	Broad outlines of Annual Plan and Long Range Plan arrived at in a consensus of MRC staff and planning committee members. Coordinator instructed to draft detailed Annual Plan and Long Range Plan reflecting this consensus	MRC Director Coordinator System Librarians Advisory Council Lay Representatives
8.	April 15	Annual Plan and Long Range Plan drafted and submitted to advisory council for approval	MRC Director Coordinator System Librarians Advisory Council Lay Representatives
9.	May 1	Annual Plan and Long Range Plan due at TSL	MRC City Officials MRC Director Coordinator
10.	May - June	TSL staff consults with System/MRC staff on Annual Plan and Long Range Plan (if necessary)	TSL Staff Coordinator MRC Director
11.	July 1	Commission approves Annual Plan of Service	TSL Staff Commission
12.	July 31	TSL mails contract(s) to MRC based on approved Annual Plan of Service	TSL Staff
13.	August 31	Contract executed by MRC and returned to TSL	MRC City Officials MRC Director Coordinator

Common Problems in Planning for System Services

The six most common problem areas in planning for system services are as follows:

1. Adequate coordination of planning efforts does not occur. Planning timelines are not constructed; committees are not mobilized; planning is only a part-time task instead of a year-round activity. The result is hastily put together plans which receive insufficient input from librarians and lay persons. Commitment to carrying out the plans will probably be lacking under these circumstances.

2. Information and analysis made available to planners is insufficient. In order for planners to carefully evaluate current services and possible future services, they will need statistical data along with an analysis of that data. They will need the analyzed results of questionnaires designed to assess the desirability of current and proposed services. They will need to see the results of any system-wide research and analysis, such as collection evaluation studies. They may wish to examine the services provided by other systems in Texas or elsewhere. When this data is not available, or not provided, planning activity is stunted. The results may be an unthinking perpetuation of the status quo, a redirection of system activities into areas which do not meet the actual needs of the membership, or some other result which will mediate against the effective and efficient allocation of system resources.

3. Involvement by librarians, lay representatives, and advisory council members is insufficient. It is crucial that the beneficiaries of system services have a major role to play in planning for those services. To fail to do this is to risk planning for services which do not meet the most important needs of the membership. Involvement is also necessary to avoiding dissension, through methodical consensus-building within the planning process. Perhaps most importantly, involvement builds commitment, both to the abstract mission of the system and to the specific objectives which result from the planning activities.

4. There is a lack of critical and creative thinking applied to the planning process. It is natural for planners to want to believe that the current service offerings of the system meet all of the most critical needs of the membership in the most effective and efficient way. And yet the role of the planner demands a highly critical attitude which questions the effectiveness and efficiency of current services. Problems or unmet needs which surface as a result of this critical thinking must then be met by creative thinking to find solutions to problems and to conceive of possible new areas of service. Failure to apply critical and creative thinking to planning for system services will result in ineffective, inefficient, and stagnant system programs.

5. System plans fail to reflect a clear sense of mission and purpose. Planning for system services cannot be done in a vacuum. Every planner must have a clear sense of the system's mission as expressed in a set of priorities for the system. Is it the system's primary mission to provide supplemental assistance to local libraries or to engage in cooperative activities? Is it the system's mission to demonstrate possible new areas of service in member libraries, or to support such services on an ongoing basis? When these kinds of questions are not addressed, the plans which result may not be a true reflection of the system's mission as perceived by its members. System projects may be inconsistent with the system's mission, or may be allocated resources at a level which is disproportionate to other projects more in accord with the system's mission.

6. Planning documents submitted to TSL are lacking in sufficient clarity, depth, and specificity. Aside from pursuing the kind of planning process being recommended here, it is crucial that the resulting plans be fully documented in such a way as to be readily understood by the system membership, library boards, and local governments, as well as by TSL. Biennial budget proposals must be capable of being communicated to the Legislative Budget Board and to the Texas Legislature. Documented plans which are lacking in clarity, depth, or specificity will be hard for the membership and TSL to evaluate, hard for the system staff to implement, and harder still to "sell" to the Legislature, in the case of the Biennial Plan.

In this discussion it is readily evident that sound planning is the key to meeting system needs, to providing efficient services, to building consensus and commitment within the system, and ultimately to the realization of increasing resources to meet ever greater needs for system services.

IV. Other Operational Areas

The administration of systems involves other operational areas which have not been specifically addressed in the preceding discussions in this chapter. Many of the procedures in these areas are largely dependent on practices within the local city organization of which the system is a part. Still, there are a few general remarks that can be made concerning travel, record retention, personnel management, and property management.

Travel

Adoption of the Uniform Grant and Contract Management Standards eased several restrictions imposed upon travel by TSL. Prior to the Standards' adoption, all out-of-system travel had to be approved by TSL. Systems were required to document all projected travel (both in-system and out-of-system) in their Annual Plan of Service proposal. Due to the Uniform Grant and Contract Management Standards, TSL may no longer require prior approval for out-of-system travel. Nor can documentation of projected travel be required. It is good budgeting practice, however, to make a projection of travel which will be necessary in an upcoming fiscal year. Including these projections in the Plan of Service will give the Advisory Council, in particular, the opportunity to better evaluate this aspect of the Plan.

The Uniform Grant and Contract Management Standards also disallowed a previous practice whereby the commission had made a specific prohibition against systems leasing or purchasing vehicles for system travel. The prohibition was made in the form of a rule to the Library Systems Act. While this rule is no longer in force, the commission retains the responsibility of deciding on the appropriateness of leasing or purchasing vehicles as a part of the overall prior approval process for System Plans of Service. To date the commission has not been faced with this issue.

Because leasing or purchasing vehicles has not been practiced in systems to date, system travel by car is done either in personal vehicles or in city-owned vehicles. When the former is the case, system staff can be reimbursed at the prevailing city rate. System staff members who travel in their personal vehicles should be aware that they may be eligible for income tax deductions owing to business use of a personal vehicle. Other income tax deductions may also be possible owing to travel which is not fully reimbursed.

Record Retention

Record retention in systems is covered exhaustively in the Procedures Manual: Guide to the Uniform Grant and Contract Management Standards. Early editions of this Manual, however, stipulated a three-year retention period. Recently the Department of Education adopted a five year retention period which became effective beginning in SFY 1984. Prior to the adoption of the Uniform Grant and Contract Management Standards, Systems had adhered to a five year retention period.

As the Procedures Manual points out, records subject to five year retention include financial records and documents supporting financial records, as well as statistical data and other performance data. While the commencement of the retention period varies with the type of record, in general most system records will need to be retained five years from the submission date of the Annual Expenditure Report (December 31 following a given fiscal year).

Personnel Management

Management of systems personnel is an area which is left almost entirely up to prevailing local practices. An exception to this is the requirement of the Uniform Grant and Contract Management Standards that personnel costs be allocated to each system project and that systems document these personnel allocations during the course of the fiscal year.

Here again, the Procedures Manual provides extensive coverage of this area of system administration and gives a sample form which can be used by system staff to record the time they devote to different system projects. System accounting practices need to be based on the allocation of costs to projects, and coordinators need to monitor budget reports to ensure that projects requiring more labor than anticipated will not require a budget amendment.

Property Management

Property management is a very complicated area in system administration. It is dealt with fully in the Procedures Manual and all system staff having responsibilities in this area should be familiar with TSL requirements in this regard.

Aspects of property management in systems include:

- Securing prior approval for property acquisition as part of the Annual Plan of Service.
- Procuring property according to local procedures consistent with the Uniform Grant and Contract Management Standards.
- Submitting property inventory records to TSL when appropriate and maintaining adequate local inventory records as necessary.
- Maintaining a property control system to prevent the loss, damage, or theft of system property.
- Conducting inventories of non-expendable system property at least once every two years.
- Disposing of system property when necessary in accordance with TSL procedures arising from the Uniform Grant and Contract Management Standards.

The kind of system property in which all of these management practices will come into play is defined in the Procedures Manual as "non-expendable personal property" and includes all library materials and equipment with a unit acquisition cost of $300 or more and a life expectancy of one or more years. Equipment, books, films, videocassettes, and computer software are among the items which may fall into this category and be subject to strict property management requirements. Some systems will make a practice of minimizing the purchase of non-expendable personal property in order to avoid costly and time-consuming property management tasks. Several systems are now placing restrictions, for example, on their members' purchasing such property with collection development funds.

Property management can be an annoying and agonizing aspect of system administration unless adequate procedures are put in place and maintained religiously. It is when management practices break down, or are not implemented in the first place, that serious problems can develop in this area.

CHAPTER FIVE

Issues Confronting Systems

This chapter deals with five major issues which will face Texas library systems in the 1980's. They are:

- *Accreditation of public libraries*
- *Multi-type library systems*
- *Direct aid to public libraries*
- *Non-profit corporation governance*
- *The boundaries of library systems*

This chapter was prepared by Patricia Smith.

I. Accreditation of Public Libraries

As discussed in the first chapter, Texas maintains a highly complex set of criteria used by the State Library and Archives Commission to accredit public libraries for system membership. These criteria are based on the assumption that system membership is an important enough "carrot" to stimulate local governments to increase tax support for library services. Since virtually all our criteria are a function of the library's income, the premise is that increased local expenditures will result in better local service.

Over the years, the number of libraries qualifying for system membership has been steadily increasing, despite changes in criteria and procedures. From a base of 165 member libraries in 1971, the number of qualifying libraries increased in 1975 to 233. By 1983 the original number had virtually doubled to 318 members. The Commission's decision to hold the minimum expenditure level to $5,000 per annum, rather than raise the level as requested during several public hearings, has undoubtedly influenced the growth in qualifying libraries. While it is quite true that $5,000 buys only half of what it did in 1971 when the rule went into effect, small libraries in Texas still hold $5,000 as their long-term goal.

For SFY 1983, 82 public libraries did not qualify for system services. Fifty of these libraries serve communities of fewer than 5,000 persons, although the aggregate population of all the non-members is around 500,000. Each library system has the flexibility of determining which, if any, system services may be offered to its non-members. While three systems offer full or extensive services to non-members, seven offer only consulting and training.

It has not been proven (nor disproven) that extensive criteria have improved local funding and services, although the library community has certainly been enthusiastic in its support for accreditation standards. During the 1981 legislative session, Representative William Heatley, who represented several non-member libraries, placed a rider on the Texas State Library and Archives Commission's appropriation bill as it left the Legislative Budget Board. Had it passed, the rider would have prevented the Commission from differentiating between members and non-members in the allocation of funds and services. At the

insistence of the library community at-large, the rider was removed by other legislators after the session convened. Various efforts by State Library staff to simplify the criteria have also been rejected soundly by the library community, who collectively seem to support the need for criteria to fight off local efforts to reduce library funding.

While the addition of new members is pleasing, it is unfortunate that some libraries lose their membership. Over the last five years, 22 libraries have lost membership for the following reasons:

Six libraries were reorganized into federated library systems. For example, Bridgeport and Decatur libraries formed a federated county library system and joined as a single member -- the Wise County Federated Library System.

Two libraries went out of existence. The High Plains Bookmobile was disbanded, and the Robstown/Alpha Library was abolished.

Three libraries suffered loss of maintenance of effort, which is mandated by Rule 1.74. Because maintenance of effort is required in the Library Systems Act ("State aid to any free tax-supported public library is a supplement to and not a replacement for local support."), there is no probational period in which the deficiency may be remedied. Rather, inability to maintain effort results in immediate loss of membership. The library can rejoin the system the next year. Maintenance of effort will be a major accreditation issue in 1984.

Four libraries lost system membership because their head librarian failed to qualify for a county librarian's certificate, required of all directors of public libraries receiving county funds.

Six libraries lost system membership because of deficiencies in requirements outlined in Rule 1.81, Minimum Requirements for Major Resource System Membership. These criteria stipulate the number of hours, items per capita, the per capita expenditure level, and the staffing required of libraries in six population groups.

One library lost membership because the library failed to receive an adequate amount of tax support, as per Rule 1.77.

The current requirements for system membership are printed in an abbreviated form. Biennially, the Commission is asked to approve criteria in the Library Systems Act Rules for Administering the Library System Act. Changes proposed by the LSA Advisory Board are published prior to public hearings in Library Developments and the Texas Register, a publication of the Texas Secretary of State. System representatives testify at these hearings, giving testimony both for and against proposed rules.

II. Multi-Type Library Systems

Introduction

Perhaps the most significant national library trend in recent years is the creation of multi-type library systems. Many states regard public library systems as simply a transitional phase during which systems organize and gain service-delivery experience. Such diverse states as Illinois, Minnesota, Colorado, and New York have implemented multi-type systems, although their approaches differ slightly.

By speaking of the transition to multi-type systems, we generally mean that public library systems are replaced by systems which include public, academic, school, and special libraries. Of the states mentioned above, Colorado appears to have effected the smoothest transition. In general, issues confronting the formation of multi-type systems are the following:

Should non-public libraries be given voting and governing privileges on the system governing board?

If non-public libraries were given voting and governing privileges, who would represent these libraries on the system boards--administrative personnel or elected officials (e.g., school board members)?

Should private libraries be included? Private libraries are those found in profit-making corporations and businesses as well as private and parochial school libraries.

A particularly sensitive concern of Texas librarians is whether scarce state aid resources will be too greatly dissipated if spread among 400 public, 150 academic, 400 special, and several thousand school libraries. Systems would have difficulty purchasing books for only their public library members. Collection development, as we know it, would probably disappear in the multi-type environment.

Another problem in Texas is that our current organizational structure does not lend itself to multi-type development. Control of the system in one public library would not be acceptable to non-public libraries. This realization led the LSA Advisory Board, the Sunset Advisory Commission, and the Texas Legislature to conclude that only nonprofit incorporated systems could admit non-public libraries.

Another issue which Texas needs to resolve is the question of certifying non-public libraries for system membership. Since public libraries are required to meet standards, should standards also apply to other types of libraries? School and academic libraries receive some attention under institutional accrediting standards, but no such standards exist for special libraries. Discussion of this issue has already been initiated with the LSA Advisory Board, with the preliminary position taken that any library should be able to participate if it is willing to share its resources.

Speaking forcefully for the State Library to coordinate and implement statewide planning for library development were several academic library and network leaders. These individuals spoke before the Sunset Advisory Commission and advocated recommendations espoused by the Texas Library Association, the LSA Advisory Board, and others. Their efforts were successful in securing two legislative objectives: (a) giving the Commission clear-cut authority to expend state funds for coordinating multi-type development and (b) giving the non-profit corporation the option of admitting academic, school, and special libraries as full members with all rights to receive services and be represented on the system's governing board of directors. What follows is a report by Raymond Hitt which addresses the topic of why multi-type cooperation is appropriate and in the public interest. It was originally prepared for the Advisory Council Conference for West Texas which took place in October, 1983.

Multi-type Library Systems: Background and Rationale

by Raymond Hitt

In the amendments to the Library Systems Act, the Legislature provided enabling legislation so that a major resource system can reorganize itself as a nonprofit corporation to be run by a Board of Directors. As a nonprofit corporation, the Board of Directors can permit the membership of academic libraries, special libraries, and school libraries. Leaving aside the issue of whether a system should be reorganized as a nonprofit corporation, I would like to discuss: 1) whether other types of libraries should be members of the regional library system, or 2) receive services from the regional library system, or 3) participate in the governance of the regional library system, or 4) provide services to the regional library system? My answer to all four questions would be yes.

Regional library systems should include all types of libraries to expand access to information and information resources, in other words, collections, staff, equipment, and space. In West Texas the academic libraries owned 4-1/2 million volumes as of 1982. They had 456 full time staff working for them. In the West Texas regions represented here at this conference, there are 25 academic libraries located at six four-year public colleges, five four-year private colleges, 12 two-year colleges, one law school, and one health sciences school. By comparison, the 105 public libraries in West Texas spent $9.6 million, held 3.4 million volumes, and had 545 staff working for them. Notice the academic libraries held nearly one million volumes more than all the public libraries combined. The State spends around $13 million on college and university libraries in West Texas. State and federal grants to public library systems in West Texas are in excess of one million dollars.

In the seven school media centers within the boundaries of the four West Texas Systems, there are 40,121 16mm films. The state provides $1.00 per student per year in aid to update those media collections. In addition the Education Service Centers provide a delivery service to the schools.

About 20 special libraries in West Texas reported some information about their operations to the State Library. A rough estimate of their expenditures for materials was about $133,000 and their total holdings were estimated in 1981 at about 87,000. That's not a large number, but these libraries collect in very specialized areas. I'm not sure whether the materials at PANTEX Corporation in Amarillo, for example, would ever be available to the general public, but some of those materials could be used to answer specific reference questions. PANTEX spends $55,000 on materials. There's a Veteran's Administration hospital in Big Spring which spent $33,000 on health science materials, for which there are many public requests.

All of these libraries are set up to serve the same people living in the same region. In theory, they serve the same people in different roles. One library may serve them as an employee, another library might serve them as a student, and the public library might be serving them as a resident of a particular community. If there is a possibility of improving the utilization of these library resources and the tax dollars that paid for them, shouldn't librarians and trustees try to take advantage of that opportunity?

In some cases the different types of libraries are attempting to serve the same population in the same role. For example, the public library and the school library both serve the student in support of the elementary/secondary school curriculum. The public and the academic library both provide services and materials to students in colleges. Both public and special libraries assist people who need information in their work. Academic libraries provide students and faculty recreational reading which is a role that the public library usually claims. In the elementary grades, the school and public libraries promote development of reading skills. Public libraries try to reinforce the reading skills of younger children through summer reading programs. All these libraries are using funds from the taxpayers of the region whether they are provided through federal, state, local governments, or private contributions. It seems important, therefore, to coordinate a program of services to the citizens of West Texas, not just among public libraries, but among all types of libraries.

By joining with other types of libraries, the regional library system is going to be able to more extensively exploit library automation technologies to provide not only more cost effective services but a broader range of information products and services. Those libraries that serve specialized clientele have already developed sophisticated information products and services. Such librarians will be able through training, demonstration, and familiarization to assist other libraries in using some of these technologies where they are appropriate. The public libraries can do this on their own, but I think it makes a lot of sense to work together instead of working independent of one another. As an example, there are so many data bases - bibliographic, text, and numeric - that no library staff can be completely versed in all of them.

If the libraries in the region formally work together and coordinate their services as a group, they will have an improved public image. Together, they can achieve a higher level of visibility and credibility in the community and with their parent institutions. With that improved image, they can capture more of the available resources. That is especially true at the state level. It is very important to assure elected officials and the public that what is being spent for library and information services is being spent in the most cost effective way, that there is not any duplication, that there is no overlap, and that there is a mechanism to coordinate library services so that libraries don't unnecessarily compete with one another.

To suggest a more speculative need for multi-type library systems: there is going to be over time a gradual merging of the functions and a blurring of the boundaries with regards to types of libraries. Electronic data transmission of information into and from the home can include the library catalog and perhaps library source documents themselves. It is important for there to be an organization that can provide the resources, planning, and coordination among types of libraries to deal with the consequences for librarians. For example, if a university allows its catalog to be displayed over a television screen in the homes of the local community, the university has assumed a public library function. The reverse would be true if the public library catalog were to be electronically displayed in a classroom, dorm, or in a school media center. This type of electronic data transmission will change distinctions by type of library. Types of libraries are based partially upon the geographical proximity of the client group to a particular service outlet. If a library can be electronically transported directly to the home or work place, it is inconsequential to the ultimate user where the transmission originates. What difference does it make what organization provides the display on the television screen? It doesn't, except insofar as the public has got to fund it with tax dollars or pay for it with private dollars. Libraries will need to divide up functions and users. Regional library systems can provide a forum to resolve differences and can provide compensation to libraries that serve users that are not part of their primary clientele, which could be a very cost effective approach from the standpoint of the taxpayers.

With a blurring of the lines between the current types of libraries, libraries may have to be reorganized, perhaps, by telecommunication channel, by the user's computer skill level, or by user income level should information access become fee based. Ways to finance and refer clients to the appropriate library, information utility, or company must be devised. To deal successfully with these new technologies and associated issues, it is important that regional library systems become broad-based in their membership.

You will hear reasons why a multi-type library system is not feasible. Some examples: Well, it's a great idea if only we had more funding; it's a good idea if only we had direct grants-in-aid for public libraries; or, if the schools really had minimum standards for school media centers. The academic libraries just won't deal with hordes of library patrons or school children. These are real, practical, sensible objections to different types of libraries being members of the regional library systems, but some of those objections are actually an argument for a multi-type library system.

If there is not enough money and not enough resources now, how can a system possibly support another hundred members? One major motivation for cooperative activities has been and will continue to be a shortage of resources. With enough money, every type of library could duplicate services with every other type of library. The taxpayers, through their elected officials, are not going to fund libraries at such a high level. It is up to us to do the best we can with what is appropriated and not say, "Well, we will do that when we get more money or when we get an arbitrarily large sum of money."

Another issue, why should the school libraries be members when teachers and students can borrow films and get interlibrary loan through the public libraries? That's true, but that's an institutional barrier. Is it necessary? Is a public library available to all teachers or students? Is it as cheap or fast to borrow through another organization as it is to provide more direct access through school libraries?

Will the academic, school, and special libraries share in the collection development programs of the public libraries? Will all public libraries share equally in the programs of service that now exist? No, school libraries or academic libraries would not necessarily share in a collection development program. It depends on a system's program of service.

Will public libraries lose control of the library systems? I doubt that in West Texas there is a situation where the combined total of academic and special libraries would be greater than the public libraries. The school library situation is somewhat different. There might, in the long run, be more school libraries, but a system could write bylaws in such a way as to guarantee representation on the Board of Directors for all types of libraries, including public libraries.

One objection is that public libraries will share materials and film collections with the schools only when the schools open up their media centers. A public librarian recently told me, "There isn't anything in that collection that I want to borrow. The films are all instructional media and they just want to borrow the public library films to babysit the kids." How does that librarian know what titles are among the 40,000 plus in the West Texas school media centers? The objections can be addressed and worked out through discussions and dialogue, which is not going to occur until the libraries are working in the same organization through the same committee structures and under the same Board of Directors on a regional basis. After all, that's the way the public libraries began to work out some of their concerns and differences. They didn't work them out before they affiliated. They affiliated, they became members of a regional library system, and then through meetings over the years and by fine tuning their program of service, they began to solve specific and real problems, not imaginary problems.

I would like to suggest some specific program examples where a multi-type approach to services would be advantageous. The most obvious is interlibrary loan. Once the request goes beyond the Major Resource Center, all types of library collections are currently used to fill the request. More interlibrary loan requests can be filled within the region if that region is multi-type and has bibliographic access to its collective resources. It can be cheaper to fill interlibrary loans in the region; it can be faster. It isn't automatically cheaper or faster. It depends on how it's done. Some potential interlibrary loans can be filled by the patron going to another library and checking the materials out directly through a reciprocal borrowing agreement or through a system-wide borrower's card. More of this direct, practical, and real resource sharing can happen if the membership is multi-type .

Another program where there is room for improved utilization of resources is in films: 16mm film and video collections. There are eleven film libraries in West Texas now. There is one in every education service center, and one in each major resource center. Potential economies exist in 16mm film collections through consolidation, coordination, or sharing.

In the area of continuing education for staff, librarians do similar things for different clients. Continuing education for librarians can be addressed to the needs of the librarians and library staffs in a variety of institutions.

Another area that some systems have already started exploring is in the area of automation. If you set up an automated circulation system, it really doesn't matter greatly whether it's for public libraries, academic libraries, or what type of library. Up to a point, the larger the number of users in an automated system, the cheaper it is for everybody.

There is room for more coordination in the area of adult basic education, literacy, and basic skills retention between libraries and schools. As the schools view themselves more as community education centers open all year round, they are going to be duplicating or filling a role that the public library has tried to fill. In many cases, the public library has not successfully fulfilled that role due to a lack of resources and staff.

There is a need for joint political action at local, state, and federal levels by friends, trustees, clients, and staff of these various libraries. There is always the discussion of coordinating collection development. That's a very hard thing to accomplish, but it is certainly worth mentioning.

In summary, the legislation that exists now permits the regional library system through a series of specific actions to organize itself as a nonprofit corporation and that nonprofit corporation is empowered to broaden its membership base to include some or all types of libraries. There are problems and obstacles to overcome. It's possible that no academic, school, or special library will wish to join the regional library system, at first. The State Library does have some funding available to assist in beginning projects that set up demonstrations where representatives of various types of libraries can begin to work together. Through multi-type regional library systems, libraries can organize to deal with technological change, and continue to play a vital part in the social structure of an information based society.

III. Direct Aid to Public Libraries

Since 1982, there has been mounting interest in direct aid legislation, which would make it possible for the State Library to award grants directly to public libraries, bypassing the major resource systems.

Direct aid is not a new concept to Texas. In the 1960's and early 1970's, the State Library awarded federal grants-in-aid to public libraries which met system membership criteria. While the library systems offered few services in those years, the grants-in-aid program was viewed as the major benefit for local libraries to reach system membership "standards." The State Library terminated the grants-in-aid program in 1973 when the emphasis was placed on using federal funds to demonstrate library systems and disadvantaged services.

For the past year and a half, there has been considerable debate in the Texas Library Association, and the library community as a whole, concerning the pros and cons of direct aid. There have been several direct aid proposals. The following resolution was approved by the Texas Library Association in July, 1983. It was prepared by the Ad Hoc Direct Aid Study Committee of the Texas Library Association. This committee, composed of appointees from the TLA Public Libraries Division and the Legislative Committee, had been studying the direct aid issue for over a year before it made its final recommendation to the TLA Legislative Committee at the Annual Assembly in July, 1983. After approval by the Legislative Committee, the resolution was approved by the TLA Council without debate:

The Ad Hoc Committee on Direct Aid Legislation recognizes that regional public library systems are the basis for improving library services in the State of Texas. Systems must be adequately financed with state/federal funds before we consider separating collection development grants out of systems and awarding them as direct grants. However when systems receive $1.00 per capita, we believe that conditions exist for both system grants and direct cash grants.

Our recommendations are the following:

--That legislation be introduced in the 1985 legislative session permitting direct grants to public libraries qualified for system membership.

--That the Texas State Library and Archives Commission request $1.50 per capita for the Statewide Library Development Program, of which the first $1.00 per capita shall be budgeted for Systems Development and the balance representing $0.50 per capita be budgeted for direct grants-in-aid.

--That state aid grants be awarded directly from the Texas State Library to the local public library for library materials.

--That public libraries be given the choice of direct aid grants or having their grant allocations administered by their system for their benefit.

--That the allocation of direct grants be based on a formula of dividing 1/4 of the funds equally and the remaining 3/4 on a per capita basis.

--That the grant awards be awarded to libraries willing to loan materials without user fees to residents of other libraries qualified in the Texas Library System, in order to provide a direct service benefit.

--That funds be set aside from the total amount of direct aid funds to reimburse net lenders of materials to residents served by other libraries.

Following passage of the TLA proposal on direct aid, it was widely debated at system meetings and by the LSA Advisory Council, which voted not to support the proposal. Jim Scheppke has summarized the most common arguments for and against as follows:

Arguments for the TLA Proposal on direct grants-in-aid have included the following:

1) Direct grants-in-aid would be more cost-effective than the current method of providing supplemental assistance to public libraries via collection development funding by library systems. This is so for the fact that systems must currently take nearly 6% of every collection development dollar, on the average, to reimburse the major resource center for its administrative costs. Fully half of the systems must make reimbursement at a rate of 8% or more, the highest rate being 12.8%. Moreover, these rates have shown dramatic escalation in recent years, a trend which is expected to continue. While the current rates are not unreasonable, it is likely that local libraries could purchase books on their own and incur little or no administrative overhead cost. The results would be more books purchased for Texas Libraries for the same amount of state dollars.

2) Direct grants-in-aid will facilitate the establishment of multi-type library systems in Texas. While the recently-amended Library Systems Act provides for the current public library membership of systems to vote to expand their membership to include academic, school, or special libraries, they will be reluctant to do so if this would jeopardize the supplemental assistance they now receive from their system in the form of collection development funding. To take collection development funding out of systems and into a separate program will remove this impediment to the realization of greater participation in systems.

3) Larger libraries (and some smaller libraries) may view the purchase of library materials through systems as cumbersome and restrictive. All systems maintain policies which may regulate the purchase of materials by media, by subject area, by source, or by price. These policies sometimes reflect the constraints imposed by centralized purchasing through the MRC; they often reflect the consensus of the membership to encourage the purchase of certain types of materials. In any case, the result may be that libraries cannot use state funds to address some of their genuine collection development needs. Direct grants-in-aid would carry no such restrictions under the TLA proposal.

4) Direct grants-in-aid are needed because system commitment to collection development is weakening. In SFY 1979 collection development accounted for 44.3% of system budgets. In SFY 1984 this figure is down to 36.5%. In three systems, less than 30% of the budget is being devoted to collection development, with the lowest being only 13.4%. At the same time, most Texas libraries continue to fall far below state and local standards for library collections in Texas.

5) A direct grants-in-aid program would accomplish a much-needed shift in the philosophy of state assistance to local public libraries. For the first time, the State of Texas would be taking a direct role in providing local public library services, in addition to funding cooperative system activities. Were the state to accept this responsibility, it would open the door to the possibility of a true partnership of state and local governments in providing public library services, much as is the case for public schools. This acceptance of responsibility on the part of the state will never happen so long as their assistance is hidden away in system programs.

Arguments <u>against</u> the TLA proposal on direct grants-in-aid have included the following:

1) In the long term, a direct grants-in-aid program will hurt library systems. This is so for the fact than once a direct grant program is instituted, the systems will have to compete for state funds with the direct grant constituency. In this competition, systems will likely lose to better organized and more vocal public library proponents. The long term result will be a scarcity of resources for library systems.

2) Small public libraries would be the losers, were a direct grants-in-aid program to be instituted. Collection development programs carry the important feature of shifting most of the administrative burden and paperwork to the system level. Personnel in small libraries will not be able to cope with making application for direct grants and administering direct grant contracts. The TLA proposal attempts to resolve this problem by allowing small libraries to opt for collection development over direct aid, but is ultimately unsuccessful in this attempt for the fact that systems (particularly multi-type systems) may be reluctant to undertake this burden for a handful of small libraries.

3) The TLA proposal is unacceptable in making reciprocal borrowing a condition of direct aid. This provision would open up public libraries receiving hard-won local tax support to non-residents who may contribute very little to library services in their localities. Not only is this unfair to the citizens who do tax themselves to provide adequate services, it will likely work to the detriment of improved services in localities which are not providing adequate support, especially when these localities are in close proximity to communities with adequate libraries. To argue that any state taxpayer is entitled to use library materials purchased with state funds is to ignore the bulk of the costs for library services (e.g. staff, processing, utilities, etc.) which are not state-supported to any significant extent.

4) The TLA proposal is unacceptable in setting too high a level ($1.00 per capita) for system funding to reach before a direct aid program can be implemented. Systems are currently able to offer a wide range of services plus collection development at well under half this amount. If systems, by and large, are no longer responsible for collection development, they ought to be able to expand their services greatly at well under $1.00 per capita. If direct grants-in-aid are needed, they are needed now and not far into the future.

5) The TLA proposal is inadequate in addressing the need for an equalization of library services in the state. While the TLA proposal makes some attempt at this by proposing to divide up 25% of the direct aid of funds equally and the rest on a per capita basis, this will not result in poorer sections of the state receiving a greater degree of much-needed assistance. Any direct grant-in-aid program ought to utilize some allocation formula which ensures that the funds will target those areas of the state which are most deserving, and most in need of improved library services.

A public hearing on December 5, 1983 confirmed that there was considerable disagreement with the TLA resolution, although there was substantial support for the concept of direct aid. A compromise committee was formed by the State Library in December, 1983 to see if the differing points of view could be reconciled. The following compromise proposal was developed by Dick Waters, David Earl Holt, Elizabeth Crabb, Amy Mollberg, James Stewart, Lupe Mier, Raymond Hitt, and Pat Smith:

Proposed that the Library and Archives Commission make direct grants to public libraries from state funds to assure that every citizen in the state has access to quality library service, to ensure that libraries have a more predictable and stable financial base, and to assist local government in fulfilling its responsibility for financing and governing public libraries as a vital part of the public education system, as follows:

1) that direct grants be in support of the libraries' operating expenses including salaries, library materials, and other operating expenses, but not including furnishings, equipment, or construction of library facilities;

2) that direct grants be available to public libraries which are members of the Texas Library System;

3) that direct grants be awarded by a formula which divides one-fourth of a direct grant fund equally and the remaining three-fourths on a per capita basis;

4) that the Commission begin a direct grant program at a funding level for systems and direct aid of not less than $8,300,000, of which 35% will be budgeted for direct grants;

5) that the Commission, upon initiation of a direct grant program, adopt a rule limiting the use of system operation grants to resource sharing activities, cooperative and demonstration projects; and that the Commission prohibit collection development for the Major Resource Center or member libraries in such a way as to create a second direct grant program from system operation grants;

6) that the Commission submit a budget request for 1986-1987 at $1.50 per capita to be administered under the Library Systems Act and to include collection development projects for member libraries. Should total appropriations for system operation grants be in excess of $8,300,000, it would be the intention of the Commission to begin a direct grants-in-aid program in the second year of the biennium at not less than $2,900,000 nor more than the sum of the system collection development projects. During the initial year of direct aid, direct grants would be limited to purchase of library materials costing less than $300 per unit.

In arriving at a compromise, the State Library staff dropped their requirement that reciprocal borrowing be stipulated as a mandatory service output from direct aid grants. In doing so, the State Library will continue to support the voluntary adoption of reciprocal borrowing programs within the systems, as an alternative means of sharing resources at a lower cost than interlibrary loan. At the same time, the urban library directors modified their position that direct aid grants begin at the current funding level and agreed to delay implementation until systems and direct aid funding reaches $8.3 million.

One view of the State Library staff did remain in the compromise document. The State Library staff feels very strongly that if direct aid grants were to go into effect, library systems should be limited to services which (a) are resource sharing activities, (b) are cooperative activities, and/or (c) demonstrate new technologies or services.

If this provision remains in effect, the Commission will prohibit system services which essentially develop local library services, e.g. purchase of library materials and equipment for the local library. The duality of system functions which currently appears in the system programs would be deliberately split in the future. The systems would continue to handle the resource sharing and cooperative activities, while the direct grants in aid program would be responsible for the development and improvement of the local library.

The TLA resolution incorporated a provision which would make it possible for small libraries to opt to have their library system handle their grants. The theory was that some small libraries would be unwilling or unable to manage direct grants in accordance with cumbersome state procedures. Under this option if some libraries wished to have their grants administered by their MRC, then the system had to plan for the support necessary to order the materials. During the compromise meeting in December, 1983, this provision was eliminated.

Another issue which will probably arise periodically is whether the direct grants should be limited to system member libraries, or libraries qualifying (but not necessary accredited) as system members, or all libraries in the state. The prevailing view as reflected in the compromise proposal seems to be that grants should be limited to system members.

IV. Non-Profit Corporations

The Texas Library Systems Act, as amended in 1983, gives each major resource system the option of becoming a not-for-profit corporation chartered by the Texas Secretary of State. Two-thirds of the governing bodies of the system member libraries must approve the reorganization.

The governing boards of the newly reorganized systems have the option of offering system services from a headquarters office; or contracting all or a portion of the services to a member library, or legal entity; or contracting with a private business to provide the service. The major problem identified to date for non-profit corporations is cash flow. At the current time, municipalities serving as MRCs advance the systems funds to carry them through occasional delays in either requesting or receiving funds. It appears to us that outside, independent funding, either through membership fees or foundation grants, may be necessary to carry the systems when grant funds are delayed.

The issue of whether a given system should consider exercising the new option available under state law and become a nonprofit corporation is one that will probably be with us for many years to come. The State Library staff has formulated the following set of questions as a guide to whether reorganization should be considered by a system:

1) Have there been cases where the membership found its will blocked or deflected due to policies or staff of the host municipality?

2) Do system staff lack access to key city officials involved in administration of the system grant and are these officials apathetic to the extension of municipal services to a larger region of the state?

3) Are there any unresolved management problems outside the control of the System Director or System Coordinator, for example, purchasing procedures, travel policies, or financial management or reporting on the system grant?

4) Is the indirect cost rate applied to the system grant unreasonable, and what is the current rate?

5) Are salaries and fringe benefits for system staff inadequate to attract well qualified applicants for your system staff vacancies?

6) Are there long delays in filling vacancies on the system staff? Have vacant positions been included in municipal hiring freezes?

7) Is selection, supervision, and retention of system staff inadequate?

8) Are services and benefits available to the Major Resource Center library and to other member libraries not equivalent?

9) Does your system contemplate joint purchase of equipment or materials over which ownership and control is a matter of vital importance to the membership?

10) Is the office and stack space available to the system inadequate?

11) Has the city prevented the system from applying for, or receiving, funds to enhance services over and above system operation grants?

12) Is it desirable to have school, academic, or special libraries as members of the library system?

Once the decision to reorganize has been made, another set of issues is raised as to how to implement the reorganization. There is probably no "optimal" solution to these implementation issues which could be recommended under all circumstances. The State Library has, however, come up with a model planning process, during the course of which these issues could be expected to be addressed. This model planning process is given in Figure 8.

Figure 8

SUGGESTED TIMELINE FOR REORGANIZING TO A NONPROFIT SYSTEM

DATE	TASK
October 14	The committee charged with evaluating whether to reorganize under the Texas Nonprofit Corporation Act mails its report, with recommendations and findings, to the membership of the major resource system. (It is recommended that the committee provide regular status reports to the membership as a whole while the study is being conducted. October 14 represents the latest possible date for transmitting the final committee report to membership if reorganization is to be accomplished by the next state fiscal year.)
November 15	Committee discusses its findings and recommendations with the major resource system member librarians, system advisory council, and lay representatives at a meeting. Following the discussion, a straw vote is taken. If the reorganization passes by a vote of two-thirds, or preferably three-fourths, proceed to the next step.
November 15	System advisory council appoints committees to begin work on the following tasks: a) Draft system bylaws b) Develop system program of services for the subsequent year c) Prepare job descriptions for system director and staff d) Develop fringe benefit program for system staff e) Establish and document personnel policies covering job classification, pay schedules, employee leave, employment, disciplinary action, dismissal, affirmative action, etc. f) Establish and document accounting, audit, and purchasing system g) Determine system office location, system office rental fees, equipment and supply needs (Several of these tasks could be delayed until January. However, work on some of these tasks may prove to be quite time-consuming and should be initiated as early as possible - in spite of the inherent risk that the official reorganization vote may fail.)
November 16	Texas State Library staff mails the reorganization resolutions to the member librarians for consideration by the governing authorities. Two-thirds of the governing authorities must approve the reorganization.

January 16	Texas State Library staff determines if two-thirds of the membership approves the reorganization. If so, the system advisory council asks the governing authorities of three member libraries each to designate an individual (e.g., city attorney) to obtain Articles of Incorporation. Immediately after securing the Articles of Incorporation, the system staff should file for tax exempt status.
March 1	System holds organizational meeting after the Articles of Incorporation are accepted by the Secretary of State. Bylaws are approved, and officers are elected. System advisory council continues review and monitoring of current contract through August 31.
April 1	Newly-elected system board of directors approves the system program of services for the subsequent year. The board of directors also approves policies and procedures for the financial management system, the procurement system, and the personnel system. (These documents could be adopted at the previous system organizational meeting if they were ready at that time.)
April 1	The system staff files documentation for the following: a) Application to IRS for a corporate employer's identification number and take what action is necessary for withholding tax, federal unemployment tax, and FICA (Social Security) tax accounting and reporting b) Application to the Texas Employment Commission for corporate employer's identification number and take what action is necessary for state unemployment tax accounting and reporting c) Application to an insurance broker to obtain workers' compensation, general liability, and property insurance
May 1	System board of directors begins process of recruiting professional staff to administer system programs beginning September 1, noting that the existing MRC-system staff may, or may not, be rehired after September 1. This process includes arranging for accounting and audit services, either through employment of specialists or contracting with firms.
May 1	Existing MRC-system staff investigates corporate bank accounts.
May 1	System staff submits to the Texas State Library the following documents for approval: a) System plan of services for the subsequent year as approved by system board of directors b) Articles of Incorporation approved by the Secretary of State

c) Personnel, procurement, and financial management policies and procedures as approved by the system board of directors
d) Bylaws as approved by the system membership

June 1	System staff secures bids to move equipment, furniture, materials, etc., on September 1.
July 1	System staff files documentation with the Comptroller of Public Accounts for exemption from franchise tax. Staff also files forms for exemption from city taxes. (These applications are usually made after receipt of IRS tax-exempt status).
July 1	Texas State Library mails contract to the system board of directors for their approval, if the State Library approves all the documents.
July 1 - September 1	Since the system is being reorganized, the governing authority of each member must pass a resolution or ordinance joining the new system. These resolutions would be presented to each governing body after the Texas State Library approves the library's system membership application for the subsequent year. Resolutions rejoining the system would be returned to the Texas State Library after local governing authorities approve them.
September 1	System staff begins work as employees of nonprofit organization. System office is moved to new quarters. Contract begins.

V. Boundaries of Library Systems

The Texas Library System boundaries were drawn originally in the 1960's as a means of functionally organizing the hundreds of public libraries in Texas into ten geographically compatible units. In the early 1970's the boundaries of the ten regions were changed to make system boundaries contiguous with the State Planning Regions. The Texas Library Association also changed its boundaries to conform to those of the Texas Library System.

Section 7(b) of the Library Systems Act gives the Commission authority to reorganize, merge, or transfer a system with the approval of the appropriate governing bodies of the libraries comprising the system. The specific language is:

> 7(b) To meet population change, economic change, and changing service strengths of member libraries, a major resource system may be reorganized, merged with another major resource system, or partially transferred to another major resource system by the Commission with the approval of the majority of the appropriate governing bodies of the libraries comprising the system.

In November, 1983, the State Library published an article in the Library Developments newsletter proposing a change in system boundaries. The text of the article, which is reprinted here, was intended to stimulate discussion in the state regarding the structure of the Library System.

SHOULD THE BOUNDARIES OF THE TEXAS LIBRARY SYSTEM BE CHANGED?

Yes, in the opinion of State Library staff, consideration should be given to a realignment of system boundaries. The boundary changes should be made prior to or concurrent with reorganization of any major resource system to a nonprofit corporation and before further commitments are made to regional automation projects.

Any change, especially one involving existing boundaries of major resource systems is very hard to consider on its merits. Librarians have become friends with system colleagues through many meetings and decisions made over the years. Now, however, it seems important to examine why system boundaries were drawn as they were and on what basis they should be drawn.

The boundaries of a system ideally include a group of libraries with sufficient population, so that adequate and equitable financial resources are available from either the state or member libraries. The boundaries should further define a system whose member libraries are not too disparate in needs, goals, and clients to enable those libraries to find common ground in designing their program of services. Boundaries should be drawn to account for trading, travel, and work patterns of the citizens of the region whom the member libraries serve. These patterns are best defined by the State Planning Regions. According to state policy, the boundaries should be contiguous with those of the State Planning Regions. However, two exceptions in the current system boundaries were requested and granted by the Governor's Office. When interlibrary loan was the primary system function, the boundaries had to be drawn to provide an adequate collection of lending and reference materials at a single library.

Since the Texas interlibrary loan network grants have been separated from the system operation grants for a number of years, a large library collection within a region may not be the necessity it was when the system boundaries were originally established. Technological developments will make interlibrary loan even less dependent on a single resource library in the future. In re-examining the boundaries and membership that now exist, the staff thinks that some of these concepts may not have been given sufficient attention in drawing the original system boundaries in 1971 and that the attention originally given to interlibrary loan resource needs is no longer a major constraint.

Staff suggests that a system made up of the eastern part of the current Northeast Texas Library System and part of the Houston Area Library System is a grouping of similar libraries with similar needs and constituents in East Texas.

Another system including parts of the Northeast Texas Library System and the North Texas Library System would be a metropolitan library system containing the Dallas and Fort Worth areas.

The Houston and Galveston metropolitan areas would be served by a smaller Houston Area Library System.

The western part of the North Texas Library System could be added to the existing Big Country Library System, a system of libraries serving a rural and scattered population.

Staff also suggest that the southern part of the West Texas Library System be joined with the Texas Trans Pecos Library System to create a more adequate membership and population base.

The region around Lubbock should be combined with the Texas Panhandle Library System to create a financially stronger system.

The staff believes that these boundaries would represent compatible groupings of libraries with members who could find agreement on needs and which would have adequate financial resources to meet those needs. The proposal is based upon a recognition of the great diversity between more heavily urbanized areas and rural areas of the state, differences that should be reflected in system program priorities. The proposed boundaries reduce the disparity between high and low per capita system aid rates from a current difference of 41¢ to 23¢ under the proposed alignment (see Tables I-II).

Under the proposed boundary alignment the smallest grant to a system increases by $119,356, from $294,375 to $413,731, which should allow smaller systems to carry fixed administrative expenses more easily.

The lack of public library resources, particularly in the "Piney Woods" Regional Library System, and the vast regions that would be created in the four library systems of West Texas are all too apparent. In both cases, however, the staff thinks the similar size and development of libraries within those regions and the larger financial base offset these very obvious disadvantages.

The map and associated tables which follow will allow you to examine the effects of these boundary changes more closely. The staff encourage system member librarians to consider these proposed boundaries both in terms of the potential impact on their particular library and on the state as a whole. Though one system approves of boundary changes, all systems whose boundaries are affected by that change must also approve. The staff would appreciate hearing your opinion on these or alternative boundaries that you might prefer.

No system boundaries can be changed without the approval of a majority of the governing bodies of system member libraries. No such proposal will be made by the Library and Archives Commission to the governing bodies unless librarians of the affected systems support a change.

TABLE I

Current Boundaries
System Operation Grants
State Fiscal Year 1984

SYSTEM	1980 POPULATION	GRANT AMOUNT	PER CAPITA
Big Country	438,693	$ 318,260	73¢
Texas Panhandle	370,174	294,375	80¢
Central Texas	1,353,943	637,459	47¢
South Texas	1,288,193	614,329	48¢
Northeast Texas	2,853,150	1,159,900	41¢
Texas Trans-Pecos	532,364	350,912	66¢
North Texas	1,432,433	664,665	46¢
Houston Area	3,929,762	1,535,672	39¢
West Texas	679,449	402,184	59¢
San Antonio Major Resource System	1,349,413	635,726	47¢
TOTALS/AVERAGE	14,227,574*	$6,613,482	46¢

Range 39¢ - 80¢
Difference [41¢]

Source: 1980 Census of Housing, General Housing Characteristics; Tables 1 (for cities) and 45 (for counties). The citation is HC80-1-A45 Tex.; it was received by our Documents Department in December, 1982.

TABLE II

Proposed Boundaries
System Operation Grants
State Fiscal Year 1984

SYSTEM	1980 POPULATION	GRANT AMOUNT	PER CAPITA RATE
1 Big Country	659,797	$ 413,731	63¢
2 Central Texas	1,353,943	655,728	48¢
3 Houston Area	3,650,385	1,456,330	40¢
4 Metroplex	3,257,903	1,319,500	41¢
5 Piney Woods	1,085,953	562,300	52¢
6 San Antonio	1,349,413	654,149	48¢
7 South Texas	1,288,193	632,806	49¢
8 Texas Panhandle	735,737	440,205	60¢
9 Texas Trans-Pecos	846,250	478,733	56¢
TOTALS/AVERAGE	14,227,574	$6,613,482	46¢

Range 40¢ - 63¢
Difference [23¢]

Source: 1980 Census of Housing, General Housing Characteristics; Tables 1 (for cities) and 45 (for counties). The citation is HC80-1-A45 Tex.; it was received by our Documents Department in December, 1982.

TABLE III

# of Libraries by Size of Population Served	Proposed Region Library System Number								
	1	2	3	4	5	6	7	8	9
0 - 4999	24	19	6	20	17	8	14	18	10
5000 - 9999	21	14	10	8	9	10	13	10	3
10000 - 14999	2	9	5	10	5	6	4	4	4
15000 - 24999	3	4	11	9	6	2	5	4	2
25000 - 34900	1	1	2	7	5	4	6	3	1
35000 - 49999	0	2	2	6	3	1	2	0	1
50000 - 74999	0	0	2	4	2	0	2	0	0
75000 - 99999	2	1	1	1	1	0	2	0	1
100000 - 499999	1	2	5	5	0	0	2	2	2
500000 +	0	0	2	1	0	1	0	0	0
Square Miles	44,425	25,755	14,640	15,363	25,457	25,687	27,239	38,656	45,293
System Members	35	39	40	63	38	25	45	37	20
Non-Members	19	13	6	8	10	7	5	4	4

Proposed Regional Library Systems

SYSTEM NUMBER	SYSTEM
1	Big Country Library System
2	Central Texas Library System
3	Houston Area Library System
4	Metroplex Library System
5	Piney Woods Library System
6	San Antonio Area Library System
7	South Texas Library System
8	Texas Panhandle Library System
9	Texas Trans-Pecos Library System

APPENDICES

Calendar of Contract and Reporting Dates

The following timeline includes dates for filing applications and reports with the Texas State Library. According to the Uniform Grant and Contract Management Standards, the Texas State Library may not require reports to be submitted more frequently than quarterly. However, TSL would appreciate each system continuing to submit their monthly Standardized Reporting Form and their Local/Systems Objectives Report on a monthly basis.

Additionally, the Uniform Grant and Contract Management Standards stipulate that all reports must be submitted on the same date. Because the semi-annual and end-of-year Standardized Reporting Forms are so critically needed by the 6th of the next successive month for use in preparing the Legislative Budget Board reports, TSL must require all the reports by the 6th of the next successive month. In reality, only the reports with an asterik by the date must be turned into the State Library by the 6th. Other reports need to be submitted no later than the end of the next month.

September

	Activity	Date
1.	Beginning of the state fiscal year	1
2.	System grant start-up date	1
3.	All other grant programs start-up date (Interlibrary loan, Title III, establishment, incentive)	1
4.	Systems Standardized Reporting Form due at TSL covering statistics for the last month of preceding fiscal year	6 *
5.	Local/System Objectives Reporting Form due at TSL covering statistics for the last month of the preceding fiscal year	6
6.	Systems 4th expenditure report due at TSL covering last month of the preceding fiscal year	6
7.	Systems 2nd evaluation report for the preceding fiscal year due at TSL	6
8.	Workshop reporting forms due to State Library for previous workshops (if not submitted immediately following the event)	6
9.	TSL publishes Annual Performance Report as submitted to the Legislative Budget Board	19

October

Activity	Date
1. Beginning of federal fiscal year	1
2. TSL submits LSCA Long Range Plan, Annual Program, and Basic State Plan to the U.S. Department of Education	1
3. Systems Standardized Reporting Form due at TSL covering statistics for the 1st month of the state fiscal year	6
4. Local/Systems Objectives Reporting Form due at TSL covering statistics for the 1st month of the state fiscal year	6
5. In odd-numbered calendar years, TSL prepares guidelines for biennial budget (zero base budget) and mails to MRC directors, coordinators, and system advisory council chairs)	15
6. In odd-numbered calendar years, TSL prepares guidelines for preparing the annual program of service and mails to MRC directors, system coordinators, and system advisory council chairs	15

November

1. Systems Standardized Reporting Form due to TSL covering statistics for the 2nd month of the state fiscal year	6
2. Local/Systems Objectives Reporting Form due to TSL covering statistics for the 2nd month of the state fiscal year	6
3. TSL mails annual reports to Texas public libraries to be used as the basis for accrediting public libraries	30
4. All liquidations of the preceding fiscal year must be liquidated	30
5. First quarter of the current state fiscal year ends	30

December

1. Systems Standardized Reporting Form due to TSL covering statistics for the 3rd month of the state fiscal year	6
2. Local/Systems Objectives Reporting Form due to TSL covering statistics for the 3rd month of the state fiscal year	6
3. First Financial Status Report Forms (SF 269 and 269a) are due to the State Library covering financial matters for the first three months of the fiscal year	6
4. Fifth Financial Status Report Forms (SF 269 and 269a) are due to the TSL closing out previous state fiscal year	6
5. TSL must submit LSCA Annual Report to the Department of Education	31

January

Activity	Date
1. TSL mails annual program of service guidelines to MRC directors, system coordinators, and system advisory council chairs in years when no zero base budget must be prepared	1
2. TSL mails guidelines to system coordinators, MRC directors and other interested persons for the establishment, incentive, Title III, MURLs, disadvantaged grants, etc.	1
3. Systems Standardized Reporting Form due to TSL covering statistics for the 4th month of the state fiscal year	6
4. Local/Systems Objectives Reporting Form due to TSL covering statistics for the 4th month of the state fiscal year	6

February

1. Systems must submit zero base budgets for the next biennium to TSL with system advisory council concurrence	1
2. Systems Standardized Reporting Form due to TSL covering statistics for the 5th month of the state fiscal year	6
3. Local/Systems Objectives Reporting Form due to TSL covering statistics for the 5th month of the state fiscal year	6
4. TSL completes LSCA Long Range Plan Update	28
5. Second quarter of the current state fiscal year ends	28
6. Annual reports from public libraries are due to TSL (exact date may vary from year to year)	28

March

1. Systems Standardized Reporting Form due to TSL covering statistics for the 6th month of the state fiscal year	6 *
2. Local/Systems Objectives Reporting Form due to TSL covering statistics for the 6th month of the state fiscal year	6
3. Systems evaluation report covering the first six months of the current state fiscal year due to TSL	6
4. Systems Workshop Reporting Forms due to TSL for the preceding six months (if not submitted immediately following the events)	6
5. Second Financial Status Report Forms (SF 269 and 269a) are due to the State Library covering finacial matters for the first six months of the fiscal year	6
6. TSL publishes Semi-Annual Performance Report as submitted to the Legislative Budget Board	19
7. TSL completes its LSCA Annual Program	30

April

	Activity	Date
1.	Systems Standardized Reporting Form due to TSL covering statistics for the 7th month of the state fiscal year	6
2.	Local/Systems Objective Reporting Form due to TSL covering statistics for the 7th month of the state fiscal year	6
3.	TSL completes its zero base budget for the next biennium	15
4.	Last date for public libraries to submit their annual reports in order to be considered for system membership	30
5.	System Coordinators and TSL staff hold meeting at TLA conference (exact date varies each year)	30

May

1.	System annual program of service is due to TSL for those years in which no zero base budget is being prepared	1
2.	Systems Standardized Reporting Form due to TSL covering statistics for the 8th month of the state fiscal year	6
3.	Local/Systems Objectives Reporting Form due to TSL covering statistics for the 8th month of the state fiscal year	6
4.	LSCA Advisory Council on Libraries reviews and acts on LSCA Annual Program, Long Range Plan Update as prepared by TSL staff and recommends for funding projects requesting Title III (Interlibrary Cooperation Funding)	30
5.	Third quarter of the current state fiscal year ends	30

June

1.	Systems Standardized Reporting Form due to TSL covering statistics for the 9th month of the state fiscal year	6
2.	Local/System Objectives Reporting Form due to TSL covering statistics for the 9th month of the state fiscal year	6
3.	Third Financial Status Report Forms (SF 269 and 269a) are due to TSL covering financial matters for the first nine months of the state fiscal year	6
4.	Texas State Library and Archives Commission meets to approve Title III and other grant program recipients and to adopt the LSCA Long Range Plan Update and Annual Program	30
5.	TSL communicates with the MRC director and system coordinator if there are any problems with the annual program of service	30
6.	TSL mails out contract packets for establishment, incentive, Title III, and other grant programs	30

July

Activity	Date
1. Systems Standardized Reporting Form due to TSL covering statistics for the 10th month of the state fiscal year	6
2. Local/System Objectives Reporting Form due to TSL covering statistics for the 10th month of the state fiscal year	6
3. Last date by which TSL will process a request for the purchase of data processing equipment or services. Systems must submit Program Descriptions, which need six weeks for processing at TSL	6
4. TSL mails out contract packets to MRC directors (with copy to system coordinator) by the end of the month for the next year's system plan of service	31
5. Final date for revising the public library annual reports to be considered for system membership	31

August

1. Systems Standardized Reporting Form due to TSL covering statistics for the 11th month of the state fiscal year	6
2. Local/Systems Objectives Reporting Form due to TSL covering statistics for the 11th month of the state fiscal year	6
3. Final requests for budget revisions due to TSL in order to allow sufficient time for local encumbrance. This excludes data processing-related expenses.	15
4. System contracts for the next state fiscal year are due to TSL with signature of the MRC's governing authority	31
5. All grant funds must be encumbered	31
6. Fourth quarter of the current fiscal year ends	31
7. TSL certifies list of system members for the next fiscal year	31

There are additional reports which you should include on your system's own time-line. These additional reports are the following:

1. The audit of grant funds, which is due to TSL 180 days following the close of the MRC's local fiscal year.

2. The property inventory report forms, which should be submitted to the TSL shortly after the purchase of non-expendable personal property.

3. Property disposition forms, which should be submitted to the TSL shortly after the disposition of non-expendable personal property.

4. An inventory of all non-expendable personal property, which TSL will require every two years in which each system will determine the status and condition of grant-purchased property. There is no fixed date when these inventories are mailed to all systems. Rather, each system will be on its own two-year cycle.

5. Workshop packets should be filed with the State Library following each workshop. TSL's Library Science Collection retains these packets for use by all systems.

6. Systems should collect copies of their promotional materials and should submit these items with their last evaluation report.

Notes for New Coordinators on Important System Documents

By: Cathy Caine
Central Texas Library System

During the course of a year, MRC Directors and/or Coordinators are called upon to complete several important documents. The documents are listed here with a description, a discussion of why they are necessary and, where appropriate, some suggestions for preparation.

Certification of Advisory Council Review

This is a one page form that must accompany any of the following documents that require Advisory Council approval when they are sent to TSL. Several of these blank forms are sent to Coordinators each year with instructions for completing the Annual Plan of Service. The first part of the form lists the documents that it might refer to. Check the appropriate one and give the form to the Chair. S/he will sign, date, and check the appropriate response. Keep a copy for your own records.

The document in question may have been reviewed at a membership meeting in which case the Certification can be signed on the spot. In another case, you may be acting on something that was approved at an earlier meeting. If the meeting minutes reflect Advisory Council Approval, the Chair may sign the Certification without consulting the rest of the Advisory Council again.

Long Range Plan

TSL requires systems to submit a multi-year plan. Currently the requirement is for a three-year plan to be submitted in alternate years from the Biennial Budget. There is no standardized format for this plan. It might contain a demographic description of the system, or history of library activity in the area, as well as long term goals and objectives. It should be specific enough to be useful in future planning but general enough to allow for creativity. A well thought out long range plan is very useful in planning the biennial budget.

The development of the Long Range Plan should involve the system staff, constituent libraries and Lay Representatives. A Planning Process for Public Libraries may be useful in determining the objectives of members and translating it into a plan of action. Although it is not necessary to completely rewrite the plan every year, it should be updated. You are encouraged to continue to plan five to six years in the future even though that is not required. Some new programs may require several years of advance preparation.

Biennial Budget

The Biennial Budget is your part of the budget of the State of Texas. Since the Legislature meets only every two years, the budget must cover a two-year period. The budget must be prepared to present to the Legislature in finished form. Since it must go through TSL and the Legislative Budget Board after it leaves your hands, you start working on your next Biennial Budget soon after you start spending under the current one.

In the past, the Biennial Budget was just an indication of how you wanted to spend your money. Your Plan of Service could deviate from the budget and the Biennial Budget needed no official sanction from your system members. Now, the Biennial Budget is a binding document that will form the basis of your Plan of Service. As such, it does require Advisory Council approval. It is due February 1, of even numbered years.

Texas still uses a modified Zero-Based Budget, (ZBB). This means that your budget is written at a lower level than your current operating budget, in our case, 10% lower. It is then increased in pre-determined increments until it reaches the maximum that we are requesting. Each level above the basic budget must describe the programs that will be added at that level.

Annual Plan of Service

The Plan of Service is your grant application, the budget for your grant, and will be your primary reference source throughout the year. It includes descriptions of all your programs, job descriptions for your personnel and qualitative and quantitative goals that you and your members have set for the year. It is an official and binding document that must be approved by your Advisory Council and your municipality.

The Plan of Service is the most complex and time consuming of all the annual documents. It is necessary to consult the membership through a questionnaire, membership meetings, or both, to determine their preferences. System staff, possibly working with committees, must determine how the money should be allocated to best achieve membership goals. The finished Plan should be presented to the membership and/or the Advisory Council for approval. It is possible that changes might have to be made in the plan after final membership approval and on short notice. The membership should understand that the staff and the Advisory Council will make these changes based on the stated goals of the membership.

As with any budget, you may be working with three Plans at one time: the one for the previous fiscal year which you are still closing out, the one for the current fiscal year under which you are working, and the one for the next fiscal year which you are planning. In most cases, your estimates of time and cost for next year's plan will be based on the previous year's Plan.

The work on the Plan of Service may begin soon after the start of the new fiscal year. It takes time to survey members, develop programs and proceed through the approval process for your city. Your MRC Director will be able to assist you with the approval method you must follow.

Some years you may receive two grants, one state and one federal. You will still do one Plan of Service for the combined total of the two grants. The Plan serves as a grant application but it is not a competitive grant. You will know ahead of time approximately how much money you will receive and if your application is not satisfactory, it will be returned to you for corrections.

Contracts

When the Plan of Service has been approved by TSL, a contract will be drawn up. The contract will state the exact amount of money TSL will provide in return for the services detailed in the Plan. It will also list any special requirements such as audit and inventory procedures.

The contract is signed by the Director of the State Library and must be signed by the authorized city official, usually the city manager. The contract will have to go through approximately the same steps as the Plan of Service to be approved by the city. Again, your MRC Director can tell you what must be done.

Not every system receives a federal contract every year but the total of state and federal funds available is used to determine how much money each system gets. Twenty-five percent of the total funds is divided equally among the ten systems. The remaining 75% is divided on a per capita basis. Two grants are more trouble to manage than one, so the federal grants are rotated. When possible, the federal grant is assigned only one or two of the larger expense categories such as collection development funds or equipment. This makes it easier to administer. Trust me.

Contract Amendments

If, after the contract has been in operation, a change is required, this can be achieved by a contract amendment. This allows money to be spent in expense categories other than those specified in the original contract. Amendments must be approved by the MRC Director and the Advisory Council before TSL will consider them. In the past, amendments were approved routinely. This may not be the case in the future, so allow yourself plenty of time to make other plans if your amendment is not approved.

The request for a contract amendment is in the form of a letter to the Director of Library Development Division (Raymond Hitt) explaining why an amendment is necessary. It should state clearly which expense category the money is to come from and which it is to be transferred to. If the changes are very complex, you can simply rewrite the expenditure page of the contract and submit that as your proposed amendment. Contract amendments must be approved before August 31. If possible, submit them to TSL by August 1.

Scope Change

A scope change is a significant change in the Plan of Service after the Plan has been submitted to TSL. There are two types of scope changes. One involves a contract amendment. Either the budget section of the contract or the list of items for which prior approval has been granted needs to be modified. The MRC, with the approval of the Advisory Council, requests a contract amendment. (see Contract Amendment above.)

The second type of scope change does not affect the contract directly. It does, however, affect the program direction or emphasis such as changing the collection formula or other program guidelines, changing the target of a given project or adding or deleting workshop topics. Although this second type does not involve a contract amendment, it still requires approval of the Advisory Council. All scope changes will be handled like contract amendments and should be requested in advance. You will receive a letter from the State Library officially approving or disapproving the scope changes. These letters should be available for auditor review.

Statistical Reports

With the Plan of Service forms, TSL provides a Standardized Reporting Form and a form for Locally Determined Objectives. These quantitative goals for the year are determined by each system and submitted with the Plan. Progress toward reaching these goals must be reported to TSL quarterly. Some systems still prefer to report monthly. TSL prefers to receive them monthly, even though they cannot require it.

Some systems submit these reports to the MRC, the board of the MRC, and the Advisory Council and the membership. Your MRC may require other regular reports as well.

Semi-annual and Annual Reports

After the end of the first six months, as well as at the end of the fiscal year, narrative reports are due at TSL. These reports cover each system's programs, problems, and achievements and how well the goals and objectives are being (or were) accomplished. The reports will be reviewed by TSL staff, state auditors, and the Department of Education. They should also be submitted to the MRC, Advisory Council, and system members.

The semi-annual report covers the first six months of the fiscal year and the annual report covers the entire year with emphasis on the last six months. Special attention should be given to areas where accomplishment fell far short of objectives or where objectives were greatly exceeded. They should also contain a special section on system services to the disadvantaged such as Spanish language programs or materials, services to the aged, literacy programs or the use of system films in local programs for disadvantaged groups.

Expenditure Reports

TSL requires quarterly financial status reports. These reports, especially the August 31 and November 30 are checked against the audit. Blank forms are supplied with the contracts. If you do not have to fill the forms out yourself, check with your MRC Director to see whom the forms should be sent to. If you do have to fill them out, your MRC Director or the fiscal manager for the city can tell you where to find the necessary information. **Overdue reports will activate suspension of contract.**

In any case, you should receive some kind of regular expenditure report from your Finance Department. Check this against your own records so that mistakes can be found while you still have the documentation readily available.

Inventory

TSL provides forms with the grant contract for the purpose of recording any items purchased with grant funds whose value exceeds $300. Along with the forms, you should receive a glossary of standard terms to use to describe the items purchased.

Information from these forms is kept at TSL and every two years you should receive a printout of all the items ever purchased with grant funds. There will be items on the inventory whose purchase price was as low as $50 since that was the previous minimum. When you receive the printout, you will need to account for all the items either as still in use or properly disposed of.

When an item is lost, stolen, sold or otherwise withdrawn from use, a property disposition form should be filled out and sent to TSL. Your printout will reflect information from the disposition forms as well as the inventory forms.

Audit

An independent audit is required for every state grant. Currently, the state is requiring a single audit. That is, all state grants must be audited together. You may have nothing to do with the audit. However, if the auditor cannot find certain necessary information in the Finance Department, s/he may come to you. You should keep all financial records and pertinent program records for at least five years.

The audit is due at TSL 180 days following the close of the city fiscal year. Funds budgeted for the audit may be disbursed up until that time although all other funds must be disbursed by November 30.

Bylaws

Each system has its own bylaws describing how system business will be conducted. Certain elements are mandated by the Rules and Regulations. Others may be determined by each system. The Bylaws should be specific enough to give adequate guidance for system activities but general enough not to need updating each year.

The Bylaws can be updated whenever necessary. A system may have a standing committee to continually review procedures; a committee may be appointed periodically, or system staff may recommend revisions. In any case, the Advisory Council must approve all changes in the Bylaws.

Advisory Council Members: Roles and Responsibilities

By Alice Ihrig

Prepared for the Regional Advisory Council
for West Texas, October 22-23, 1981

Each advisory council has its own job to do - and defining that job is part law, part librarian and part individual members. Advisory means to give advice, to make recommendations, to give information, to make suggestions, to counsel. This is an active--not passive--role that carries responsibilities and opportunities.

RESPONSIBILITIES

1. To become knowledgeable of the area represented. (Know the territory so that opinions are based on first-hand information.)

2. To become knowledgeable of the library field--reading widely, scouting other libraries and other areas, sharing and soliciting ideas from many sources.

3. To devote adequate time and attention to the job. (Make the meetings, do the homework, make notes on what to contribute to discussions.)

4. To be representative of many rather than one's own library and community. This means asking questions from another's probable viewpoint and being concerned about effects on ALL.

5. To work diligently with the group to be involved in the best possible decisions. To work for implementation of what has been recommended. To serve as a giver of information to others.

OPPORTUNITIES

1. To improve library service! A chance to put your talents to work in pursuit of the things you want in libraries for your people.

2. To speak for libraries and their role in the lives of the people--and to work for a higher priority for libraries in the totem of public services.

3. To have influence--through the information you bring to the group, through the ideas you generate, through the ideas you hear and relay.

4. To make a governmental unit work--not a small accomplishment in an era when all such units are subject to suspicion and criticism.

5. To bring about change--and to provide the means for coping with change.

6. To work with professionals on an equal level, where eager discussion and exchange result in programs of which lay and professional persons can be proud.

7. To practice representative skills--broadening your experience and knowleige beyond one community.

8. To see ideas develop and to participate in the process. To enjoy successes and learn from not-so-successful efforts.

ADVISORY DOESN'T MEAN WEAK

Because advisory boards do not have the "powers" of administrative boards, they may view themselves as weak. This attitude leads to appointment of less interested trustees and to boards which do not even perform the advisory function.

SO--let's look at what ADVISORY means:

1. Advisory means that opinions are actively sought--by the librarian who is responsible for administration.
2. Advisory means that opinions are given freely--in the best spirit of representing community interests.
3. Advisory means that information is developed on both sides--by the librarian in order to generate knowledgeable opinions and by the board and its members in order to initiate as well as respond.
4. Advisory means opening up discussion about almost everything but the administrative decision making. Discussion is essential to understanding the functions, services, problems, progress, and future of the institution.
5. Advisory means understanding the distinction between administrative and advisory.

ADVISORY	ADMINISTRATIVE
How much staff do we have? What are their strengths? What are their responsibilities?	Recruiting and hiring staff Determining abilities Assigning jobs
What are our financial resources? Where does the money come from?	Facts about finances
How much money do we need? What do we do to raise more money?	Anticipatory figures Basic budgeting
What services are working well? What services are needed? What will new services cost? Where can cuts be made if needed?	Honesty about successes and failures Information on needs and the appropriate services to meet them Good record keeping and budgeting
How many people use our services? What kinds of problems do we have in delivering services?	Excellent statistics Presentation of problem areas Early sharing of problems
I'm hearing complaints.	Investigation and handling
Evaluation of general effectiveness.	Evaluation of staff and programs and sharing of this process
What can the council or board do to forward this institution or program?	Planning with the trustees

HOW TO AVOID RUBBER STAMPING

People who accept positions on advisory boards often hesitate because they feel the role may be to rubber stamp decisions--to say O.K. without adequate information--to act without facts.

A board which doesn't want to be a rubber stamp should:

1. Discuss the role of the board and agree on what the board is supposed to do.

   Then put it in writing in a policy paper.

2. Insist on knowing in advance what decisions it will be asked to discuss, what kinds of recommendations it is expected to make.

3. Demand adequate information before confirming an action or agreeing on a plan.

   In an information age, librarians in administrative positions gather many facts before making their decisions. Ask for sharing!

4. Allow time to read background material or digest facts before concurring with the staff recommendations. Lay persons have different perspectives and may come up with most relevant questions which may change the first recommendations.

5. Consider the impact on ALL the libraries involved. Has the recommendation been weighed against criteria of how it affects each library?

6. Be sure that each recommendation with monetary implications has been tested for feasibility. Board members are good at seeing long range complications!

7. ASK QUESTIONS! The board will share any blame if something doesn't work; so be sure you ask any questions which bother you. Try to anticipate the questions others will ask you.

8. KNOW THE DETAILS--so you can relay the facts and figures to your local board and to other involved libraries, librarians and trustees. Ask for summary sheets of some of the new plans and actions so you are able to spread the word.

9. Vote on the basis of knowledge and understanding--and then stand behind the decision or recommendation of the majority. If the group has been well-informed, it is likely to make the best decision or reach the most necessary agreement.

10. Raise problems. Suggest opportunities. Be involved in planning and making strategy and anticipating what needs to be done. The board involved BEFORE the decision-making time is ready when action is timely.

EVALUATING SYSTEM SERVICES

Advisory Boards are created partly to serve as evaluating groups--to assess the need for what is being done, the efficiency with which plans are carried out, the balance of costs and values, the satisfaction level to staff, patrons, members of the community, member libraries.

The process is called evaluation: to appraise, to determine the value of.

How does a board go about appraising the values of the services for which it is advisory--and therefore responsible?

1. Participate in the planning for new or expanded services. Thus boards will know the details of the service, the needs on which the service is based, the costs now and later and the criteria against which success should be measured.

2. Set criteria for success BEFORE the service starts (and later when changes are made).

   How will the service be measured?

   a) In quantity (such as number of books circulated by mail)
   b) In satisfaction of the patron (through surveys and listening and asking)
   c) In cost-effectiveness (which is one way of saying that the service should be worth what is put into it)
   d) In how it fits into the objectives and goals of the unit offering it
   e) In popular appeal and response
   f) In helping professionals to do a better job

3. Monitor the service. Even if the service is widely successful and soon, watch its progress, growth, cost, and ability to meet needs.

4. Change the service when it isn't working. Don't discard until you've tried to perfect.

5. Compare services and make some difficult judgements about the values. When you can't do everything, be sure that what you've selected to do is the best.

6. Allow for innovation. When ideas are new, they may be slow to take root. Give them time to grow. Be willing to risk both time and money on a good idea.

7. PROMOTE. Many good ideas wither with no spotlight--no enthusiasm--no publicity. Provide for the good start that an idea needs.

8. KEEP LOOKING for good ideas to try. Once there's a base of the most needed services, there's a tendency to stand pat. Always be alert for needed changes.